

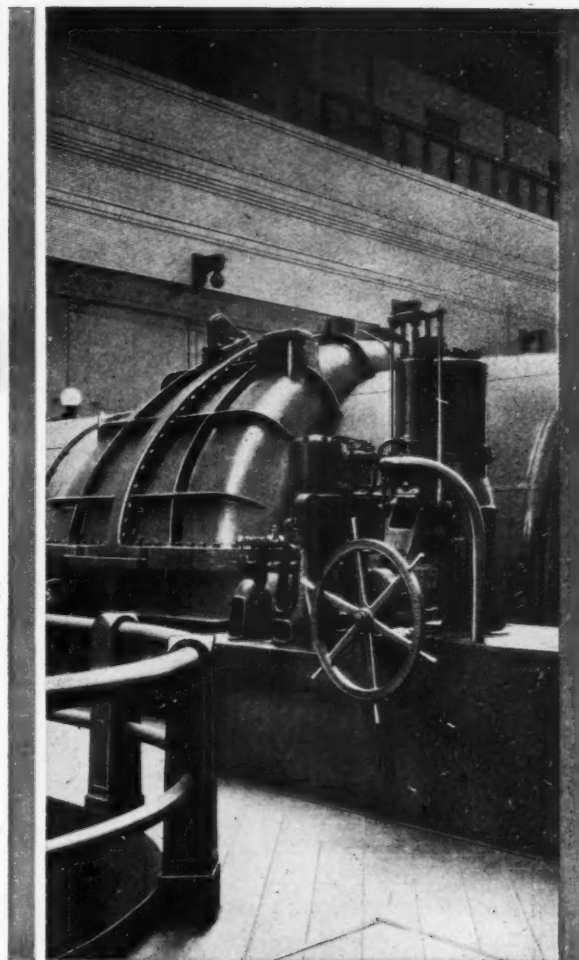
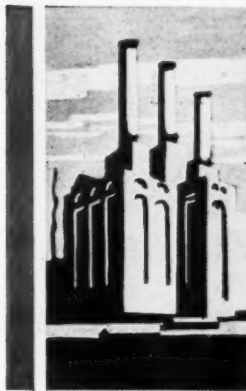
The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, APRIL 26, 1934

No Boiler or Machinery risk is too great
for "Ocean" or "Columbia"

Protection



MILLIONS of dollars prudently invested in the highest type of liquid securities are shown on the balance sheets of both "Ocean" and "Columbia" — resources ample in each case to permit insuring the largest power units at their full value.

Back of these resources and equally important in their guarantee of protection is the affiliation of both "Ocean" and "Columbia" with the "Commercial Union," a powerful group of fire and marine insurance organizations whose operations extend throughout the world.

When Boilers and Machinery are protected by an Ocean or Columbia policy, the risk has been transferred to one of the strongest financial organizations of its kind in the world.

BOILER and Machinery Insurance is as much a Service for Accident Prevention as a guarantee of financial protection. Owners of power equipment want accident freedom and smoothly running plants—not indemnity for losses. The Ocean and Columbia Engineering Organization, with its unusual facilities and wide experience has a proven record of effectiveness in the elimination of avoidable accidents.

THE OCEAN ACCIDENT & GUARANTEE CORPORATION Ltd.
and

COLUMBIA CASUALTY COMPANY
One Park Avenue, New York

Canadian Branch: The Ocean Acc. & Guar. Corp. Ltd., Federal Building, Toronto, Ontario
Cuban Branch: Compania Cubana de Fianzas, Amargura 23, Havana, Cuba



These Companies Are Members of the Commercial Union Group of Companies

NORWICH UNION

RELIABILITY
based on a record
of satisfactory service
to agents and policyholders

NORWICH UNION
FIRE INSURANCE SOCIETY, LTD.
75 Maiden Lane, New York

Hart Darlington, Manager

Eagle Fire Company
of NEW YORK

Incorporated 1806

75 Maiden Lane, New York

Hart Darlington, President

The Oldest New York Insurance Company

NORWICH UNION
INDEMNITY COMPANY

75 Maiden Lane, New York

*Hart Darlington, Chairman of the Board
H. L. Callanan, President and General Manager*

In NORWICH UNION there is strength

COMPANIES



THE EUREKA - SECURITY FIRE & MARINE INSURANCE COMPANY

Established 1864

22 Garfield Place

Cincinnati, Ohio

SEVENTIETH ANNUAL STATEMENT JANUARY 1, 1934

ASSETS

United States Government Bonds*	\$ 332,970.65
Federal Farm Loan Bonds, State, Ter- ritorial, Municipal, Railroad, Utility and Miscellaneous Bonds*	1,122,166.19
Stocks*	1,229,881.83
Mortgage Loans on Real Estate	28,894.57
Premiums in Course of Collection	246,692.68
Cash in Banks and Office	225,984.55
Interest Due and Accrued	19,144.96
Reinsurance Recoverable on Paid Losses	2,039.42
Real Estate (Home Office Building)	275,567.22

TOTAL ASSETS \$3,483,342.07

LIABILITIES

Reinsurance Reserve	\$1,501,725.61
Contingency Reserve**	310,108.60
Reserve for Losses, Taxes and all other Liabilities	367,855.36
Capital Stock	500,000.00
NET SURPLUS	803,652.50

\$3,483,342.07

Surplus to Policyholders \$1,303,652.50

Losses paid since organization \$9,908,388.76

*Values: Bonds Amortized according to Ohio and New York Department Formula. Stocks as prescribed by National Convention of Insurance Commissioners.

**Represents the difference between Value carried in Assets and actual December 31, 1933 Market Quotations on all Bonds and Stocks Owned.

INVESTMENTS AS OF DECEMBER 31, 1933

BONDS:	Amount	Percentage
United States Government	\$ 332,970.65	11.14
Federal Land Bank	372,012.53	12.44
State, Municipal and Territorial	439,380.48	14.70
Railroad	43,576.43	1.46
Public Utility	77,930.46	2.61
Industrial and Miscellaneous	189,266.29	6.33

PREFERRED STOCKS:	Amount	Percentage
Railroad	1,920.00	.06
Public Utility	23,370.00	.78
Industrial and Miscellaneous	622,792.00	20.83

COMMON STOCKS:	Amount	Percentage
Railroad	0	0
Public Utility	2,712.00	.09
Banks	239,500.00	8.01
Industrial and Miscellaneous	339,587.83	11.36
MORTGAGE LOANS	28,894.57	.97
REAL ESTATE	275,567.22	9.22

TOTAL INVESTMENTS \$2,989,480.46 100.00

SUMMARY:

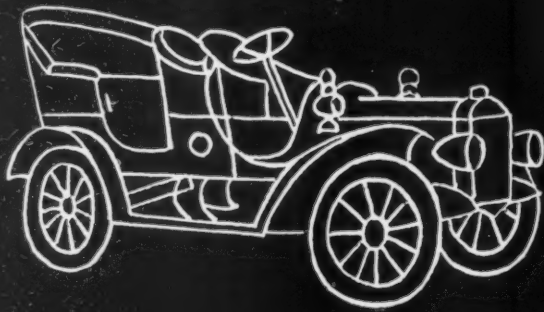
	Amount	Percentage
Bonds	\$1,455,136.84	48.67
Preferred Stocks	648,082.00	21.68
Common Stocks	581,799.83	19.46
Mortgage Loans	28,894.57	.97
Real Estate	275,567.22	9.22
TOTAL	\$2,989,480.46	100.00

LARGE ENOUGH
To write lines liberally

SMALL ENOUGH
To give individual attention

YOUNG ENOUGH
To grow by giving service

OLD ENOUGH
To have profited by experience



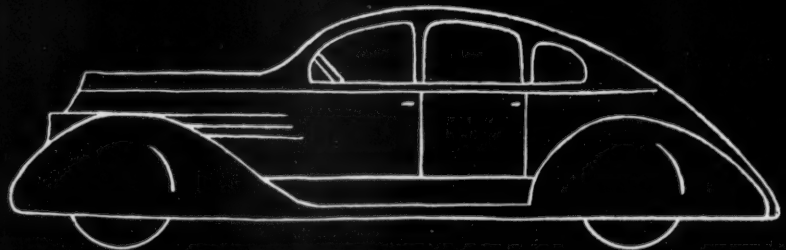
To agents who exercise good judgment in the selection of automobile risks, the companies of the Fireman's Fund group offer every facility of their Nation-wide automobile insurance organization. There's a real opportunity for automobile insurance in 1934. Let us help you to make the most of it!

Fire · Automobile · Marine · Casualty · Fidelity · Surety

FIREMAN'S FUND GROUP

*Fireman's Fund Insurance Company — Occidental Insurance Company
Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company — Occidental Indemnity Company*

New York · Chicago · SAN FRANCISCO · Boston · Atlanta



The National Underwriter

Thirty-Eighth Year—No. 17

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 26, 1934

\$4.00 Per Year, 20 Cents a Copy

Separation Issue Center of Interest

Marks Determination of Organizations to Draw Sharp Demarcation Line

S. E. U. A. MAY ACT IN JUNE

Officials Recognize Serious Difficulties to Be Encountered in Carrying Out Program

NEW YORK, April 25.—Interest in managerial fire circles just now centers about the separation issue, little being heard these days of the fair practice code proposed by the National Association of Insurance Agents, so engrossing a topic in the early months of the year. The action of the Western Underwriters Association in determining at its annual meeting at White Sulphur Springs, W. Va., to follow the example of the Eastern Underwriters Association and apply separation in all hitherto excepted cities, emphasizes the determination of orthodox company officials to draw a sharp line of demarcation between the affiliated and non-affiliated institutions.

A separation ruling may be adopted by the Southeastern Underwriters Association when it holds its annual session at Hot Springs, Va., in June, although there is no assurance that this will be the case, as certain conditions exist in the territory that may induce caution in such connection at this time.

Realize Difficulties Involved

Managers, almost without exception, are strong for the broad separation program, and regret that such a policy was not taken years ago. But they are not unmindful of the difficulties to be encountered in carrying the program out. It will cost some of the companies valuable agency connections but the chief officials declare that having "crossed the Rubicon" there will be no halting, much less turning back.

So far as the east is concerned the main battle ground promises to be Allegheny county, Pa., in which field the Firemen's of Newark group is especially well planted, embracing as it does within its fleet two Pittsburgh companies, the National-Ben Franklin and the Superior, each of which has a large number of agents throughout the territory controlling highly desirable risks. Should the association companies withdraw from any present connections in the section, the expectation is that the Firemen's group and other non-affiliated institutions will promptly offer their facilities.

Another feature of the general move not lost sight of is that aggressive action by the organization companies will force close association on the part of the free lance institutions.

While some of the E. U. A. companies have delayed enforcement of

Various Proposals Advanced For Term Rule Modification

QUESTION GETS MUCH STUDY

Some Organization Companies Are Letting Down Bars in Competition Based on Premium Commutation

Because of the agitation which has developed concerning the competition of mutuals and the General of Seattle in Iowa particularly, many fire insurance men have been sharpening their pencils and drafting proposals for modification of the term rule.

The tariff companies find they are losing out in a number of places, because of some proposal on the part of a non-tariff company to commute the premium under a term policy on some preferred risk, very often a school house. The Merchants of Indiana has been bidding for much business on this basis. Some of the non-tariff companies will write a five year term policy, for instance, for four times the annual rate, but collect the premium in five equal annual instalments. There are a number of variations of the commutation principle.

Letting Down the Bars

In some cases lately, the tariff companies have let down the bars to meet such competition and have permitted agents to depart from the term rule.

One proposal that is being given consideration now is to authorize an arrangement under which the first year's premium on a five year policy would be 10 percent greater than the premium on an annual basis. Then the balance of the premium would be collected in four annual equal instalments, each instalment being 82 percent of the annual rate. For instance, if the annual rate were \$1,000, under this plan, \$1,100 would be collected the first year under a five year policy. Then for the succeeding four years an annual instalment of \$820 would be collected. Therefore, at the end of five years, the company would have collected \$4,280 under this plan as compared with \$5,000 if an annual policy had been issued each year and as compared with \$4,000 if the entire premium for a five year policy had been collected the first year, as at present.

Objection Is Cited

One objection that has been cited to such an arrangement is that the policyholder might complain if, at the expiration of the five year policy, he were compelled to put up \$1,100 at the inception of another five year period. Having been accustomed for four years to paying \$820, he might find fault with the increased requirement.

their separation pledge, which will not become effective until June 30, others, and these include several of the giant groups, have taken definite action and declare their intent to see the matter through, regardless of consequences.

SITUATION IN WASHINGTON

WASHINGTON, April 25.—The separation movement, as it affects the District of Columbia, is complicated by

(CONTINUED ON PAGE 27)

Pearl Denies Getting Bulk of the Whisky Business

KENTUCKY AGENTS ANSWERED

Letter Read to Louisville Board Shows Pearl Has Only Ten Percent of Big Lines

LOUISVILLE, April 25.—At a recent meeting of the Louisville Board Louis Tachau read a letter from General Agent G. C. Stevens of the Pearl in connection with that company's participation in whisky insurance. A number of Kentucky agents, who had lost their whisky lines on the National Distillers and Schenley Products schedules have been blaming the Pearl. The Stevens letter said that John J. Chavanne, Jr., of Eliel & Loeb, Chicago, had advised Mr. Stevens of the "wave of adverse comment" among Kentucky agents, involving the Pearl's New York office. Mr. Chavanne was shown all files connected with the Pearl's whisky business and he found that the Pearl's business was but a trifling proportion of the whole. It was also demonstrated that this business was written by the Pearl on the same rates, forms and conditions as other companies on the lines. The Pearl's only liquor lines in Kentucky are in connection with the \$32,480,000 schedule of the National Distillers placed by O'Brien & Russell of Boston and the \$19,000,000 schedule of the Schenley Products placed by John F. Curry in New York City. The Pearl carries 10 percent of each of these lines and policies are declared to be fully in accord with the I. U. B. rates, forms and rules.

The percentage participation of other companies in the remaining 90 percent is reported to be:

National Distillers: St. Paul, 15; Aetna, 10; North America, 10; Continental, 10; Crum & Forster, 10; Corroon & Reynolds, 7½; Travelers, 5; Fireman's Fund, 5; North British, 5; Commercial Union, 5; Home, 5, and Eagle, Star, 2½.

Schenley Products: Royal-Liverpool.

(CONTINUED ON PAGE 28)

Federal Union Loser in License Case in Ohio

COLUMBUS, O., April 25.—The Ohio supreme court today denied a writ of mandamus in the case of the Federal Union against the superintendent of insurance in which it sought to compel him to issue an agents' license to Elmer L. Jefferson, member of the firm of Johnson & Higgins.

This was a notable case, which caused turmoil among the Ohio agents last summer. The Federal Union, in bringing this action, undertook to test the validity of the Ohio resident agency law, and in doing so a storm of protest descended on the management of the company from the Ohio agents. Apparently this decision upholds the constitutionality of the law. The Federal Union, among other things, contended the law was unconstitutional, because there was no avenue of appeal provided from decision of the insurance department.

Agency Clearance in Large Centers

Action of Western Underwriters Association Causes Solicitude Among Agents

COMPANIES DETERMINED

Principle Is Seen Logical in View of the Economic Trends of the Day

The decision of the Western Underwriters Association at its annual meeting at White Sulphur Springs to put into effect the agency clearance rule in excepted cities was by all odds the most important piece of legislation before the organization, although there are many other issues of paramount importance to be taken up with it. The governing committee was authorized to determine ways and means of putting the rule into effect and the time for each city. The cities affected are Chicago, Louisville, Milwaukee and St. Louis. There are two other excepted cities, Cleveland and Cincinnati. Ohio, however, has an anti-compact law which makes it a violation for insurance companies to agree on commissions as well as rates.

Ohio Law's Constitutionality

It has been a question in the minds of insurance officials and their attorneys as to whether the commission feature of the Ohio law is constitutional. There have been many men in the business that have been anxious to have this matter determined by the highest court. While insurance men agree that the question of rates is impressed with public interest, they take a different view with regard to commissions. They do not feel that that is anything with which the public is concerned unless by statute there might be a maximum percentage established. It is likely that the Ohio statute therefore may be tested although no official action has been taken or decided on.

Executives Decided the Issue

While some of the western managers and others in charge of western departments in the east were not in favor of agency clearance made mandatory in the excepted cities at this time, yet as the sessions continued at White Sulphur and they learned the injunction of the wise men of the east, it became clear that there was no other alternative than to pass the resolution. The Insurance Executives Association had expressed itself in no unmeaning terms as advocating the principle of separation and taking the position that it is in line with economic tendencies of the day. The argument was made that non-affiliated companies are seeking lodgment in agencies in the large cities and making attractive commission offers and also al-

(CONTINUED ON PAGE 27)

Mutual Underwriters Hold Their Annual Conference

MANY SUBJECTS DISCUSSED

Federation of Mutual Fire Insurance
Companies Had Over Hundred
Representatives Present

BUFFALO, N. Y., April 25.—Over 100 mutual men representing 63 companies attended the annual underwriters' conference of the Federation of Mutual Fire Insurance Companies this week. Ben C. Vine of the Millers Mutual of Alton, Ill., and chairman of the general committee presided over the opening session, which was devoted to a discussion of "Value of prohibited lists and the best methods of handling unprotected risks." On the subject of prohibited lists, the discussion was led by C. F. Galloway of the United Mutual of Boston and F. W. Purmort of the Central Manufacturers of Van Wert, O. The importance of inspection and engineering service in handling questionable classes was emphasized.

Talks on Unprofitable Risks

W. H. Burch opened the subject of unprotected risks with an analysis of the difference in hazard between protected and unprotected property, which was followed by a statistical study of the experience on the unprotected business. Discussion was begun by Jack Knight of the Millers Mutual of Fort Worth, who reviewed the experience on this class in the southwest. It was agreed that this class could be handled successfully when the rates were adequate and when care was used in selecting risks. Mr. Birch stressed the fact that fire prevention measures were more important in this field than any other, since a fire once out of control would likely result in a total loss.

Vice-President Winter Spoke

Mr. Robbins of the Abington Mutual presented a careful analysis of the hazards of brewery and distillery business and John Arnold of the Federal of Boston opened a discussion of the proper treatment of cigarette losses. Gage McCotter of the Grain Dealers of Indianapolis was chairman at the afternoon session on Monday, which was principally devoted to inland marine with Vice-president Wm. D. Winter of the Atlantic Mutual of New York as the chief speaker. The experience of the mutual companies and the conditions under which this field can be safely entered by a company which are present has on direct business were discussed with emphasis on the necessity for a trained underwriter.

The speaker at the banquet was M.
(CONTINUED ON PAGE 29)

Detroit Agents Prepare Memorial to Livingston

DETROIT, April 25.—The Charles D. Livingston memorial, consisting of a sepia photograph of Mr. Livingston and a printed tribute to his memory, prepared by the Detroit Association of Insurance Agents for distribution to his many friends in and out of Michigan, has been completed by a committee headed by J. A. Grow, manager of the insurance department of Homer Warren & Co.

The committee has distributed 375 copies of the memorial to members of the Detroit board, the president of the Michigan association, western department managers, the present commissioner and his staff, former commissioners and commissioners of other states, the governors under whom Mr. Livingston was commissioner and field men of the Michigan Fire Underwriters Association. A special copy was prepared for Mrs. Livingston.

S. A. Mehorter Seriously Injured in Auto Accident



S. A. MEHORTER

S. A. Mehorter of Newark, N. J., state agent of the Home of New York group, and grand supervisor of the flock of the Blue Goose, was seriously injured in an automobile accident Saturday night while driving to his home in Maplewood, N. J., from Newark where he had attended a dinner given in honor of Insurance Commissioner W. H. Kelly. In attempting to avoid a car coming from a side street, Mr. Mehorter struck one of the concrete piers protecting a safety island. His car was demolished and he was thrown forward on the steering wheel, his forehead striking the windshield. A long gash was cut in his forehead, three ribs were broken and the bronchial tissue injured. He was taken to the Orange Memorial hospital and has been in great pain. He will be elevated to most loyal grand gander of the Blue Goose in August.

Difficulty Not Expected in Louisville Separation

MOST LARGE AGENCIES CLEAR

During Banking Agency Arguments in
Past, Majority of Important Of-
fices Were Cleared

LOUISVILLE, April 25.—A survey of the possible difficulties to be encountered in Louisville as a result of separation, indicates that with one of two exceptions, separation can be accomplished here with a minimum of difficulty, in that a large number of the larger agencies are now clear and representing only union companies.

Due to the long period of banking agency arguments in Louisville in which the Louisville Board was signally successful, many of the agencies were cleared years ago and have remained clear.

The most difficult situation appears in the Fidelity & Columbia Trust Co., which has the Firemen's of Newark, its first company, and for a number of years its only company, also a bureau company; and three union companies, which it acquired last year, namely the Continental, Fireman's Fund, and Travelers Fire.

Booker & Kinnaird

The Booker & Kinnaird agency has the Royal and Fireman's Fund, of union affiliation, and the Northern of New York and American Equitable, in the non affiliated ranks.

The Bailey agency has two union companies in the Granite State and New Brunswick, and one non-affiliated, in the Merchants of Colorado.

Jefferson Noyes & Embury has four union companies in the Security of Connecticut; Century, National Union and three non-affiliated in the Bankers & Shippers, New Jersey and Stuyvesant.

The other mixed agencies for the most part are small.

(CONTINUED ON PAGE 29)

Definition of Marine Power Discussed at Mutual Meet

WINTER GIVES EXPOSITION

Atlantic Mutual Vice-president Ad-
dresses Underwriters Conference of
Fire Mutuals' Federation

BUFFALO, April 25.—Marine insurance, in developing the broad forms of inland and all-risk coverage which brought about the drafting of the definition of marine companies' writing powers, approved in 26 states and the District of Columbia, was striving to provide in a single policy, as had been the case in the inception of marine insurance, the full protection which prudent property owners desired, W. D. Winter, vice-president Atlantic Mutual, told the underwriters conference of the Federation of Mutual Fire Insurance Companies meeting here.

However, insurance in this country had not developed on the multiple line plan, but fell broadly into four general classes, and sharp lines of conflict were drawn.

Use No Standard Forms

Mr. Winter gave an exposition of marine insurance. Inland marine falls into two general classes, commercial and personal. While there are basic forms modeled on the ocean marine policy, underwriting is not done with standard forms and established rates as in fire insurance. The basic forms are used as a foundation on which to build the individual contract wanted.

Marine insurance offers opportunity for ruthless competition, especially in classes which have proved profitable, and where there are no established rates. Incompetent underwriting in these unratified classes and unwise selection of risks can only spell loss, he said. This situation in the commercial lines is equally true in the personal lines where rates are not established.

Underwriting Is Difficult

Mr. Winter said that in the case of a company not a member of the Inland Marine Underwriters Association and enjoying the cooperative benefits, inland marine underwriting is not lightly to be entered upon. The fire underwriter who has become used to such specified perils as fire, sprinkler leakage, cyclone, etc., may easily find himself entirely at sea when transported into the realm of all-risk insurance.

In this field the underwriter pits his assets against the human equation. There is a jumble of morality or immorality, carelessness or lack of it, modesty or desire for display. The question of underwriting capacity becomes a major problem, for not infrequently jewelry schedules run into six and perhaps seven figures, with single necklaces valued at half a million dollars. The same situation exists in fine arts and fur store classes where requirements of large clients demand a facility of millions of dollars.

Cumulative Liability Problem

The question of cumulative liability becomes of first importance when protection afforded is not only while property is in a fixed location, such as the assured's home, but also while in temporary domiciles, such as hotels and winter or summer resorts and residences. The underwriting problem becomes much more difficult when the property is in motion, for the underwriter is unable to determine at any given time or in any named location what is the exposure.

Bureau Managers to Meet

Managers of the various state inspection bureaus in the west will gather at French Lick Springs, Ind., next week for their annual conference with J. V. Parker, manager of the Western Actuarial Bureau.

THE WEEK IN INSURANCE

Separation issue holds center of interest. * * * Page 3

Agency clearance rule adopted by the Western Underwriters Association causes much dismay in large centers. * * * Page 3

Various proposals are broached for modification of the term rule due to competitive conditions. * * * Page 3

Letter is read to Louisville Board, showing that the Pearl is getting only 10 percent of two big Kentucky whisky lines. * * * Page 3

National Board executive committee will meet this week to take up the resignation of the Home of New York fleet. * * * Page 12

H. A. Steckler reelected president of American Association of Insurance General Agents at annual meeting in New Orleans. W. O. Wilson discusses NRA code. * * * Page 5

General agents' relation to companies and agents reviewed by Rorick Cravens at New Orleans meeting. * * * Page 5

Assistant Secretary C. T. Hubbard of the Automobile speaks before Brokers Association of New York. * * * Page 12

Aviation insurance men hope that there will be an upturn in the insurance market following the new airline between New Orleans and Tampa. * * * Page 10

Harry Curran Wilbur, public relations counsel of Chicago, recounts the record of stock fire companies during the period of depression. * * * Page 5

New Jersey commission situation settled. * * * Page 10

Rule on growing grain coverage in California radically revised. * * * Page 6

Suit of the Cotton States Mutual of South Carolina against the Central Manufacturers Mutual, seeking damages in connection with reinsurance deal, ends in mistrial. * * * Page 10

Ellis & Loeb Co., Chicago, resign their Western Underwriters Association companies following the separation edict. * * * Page 7

The underwriters' conference of the Federation of Mutual Fire Insurance Companies was held this week at Buffalo. * * * Page 4

Program is announced for the insurance conference of the American Management Association at Atlantic City, May 14-15. * * * Page 13

J. Collins Lee resigns as secretary and vice-president of the Hartford Accident & Indemnity. * * * Page 38

Insurance Director Palmer of Illinois requires companies to fill out searching questionnaire in connection with their automobile fleet practices. * * * Page 34

Increase in automobile public liability and property damage loss experience for year or more anticipated by more conservative company officials. * * * Page 38

H. P. Jackson, Bankers Indemnity president, reviews ills of casualty business. * * * Page 35

Pennsylvania insurance department brings suit for \$5,000,000 against former state officers and directors of the defunct Pennsylvania Surety. * * * Page 40

A. V. Gruhn, mutual spokesman, at hearing on London Lloyds bill, complains that American surety companies decline to write qualifying bonds for mutual companies. * * * Page 33

Superb Record of Stock Companies

Harry Curran Wilbur Reviews the Effect of Depression Years

GREAT CONTRIBUTION SEEN

Some of the Accomplishments of the Tragic Era Are Recited by the Speaker

Harry Curran Wilbur of Chicago, public relations counsel, in speaking before the annual meeting of the American Association of Insurance General Agents in New Orleans, called attention to the record of the stock fire companies during the depression. There were more than 80,000 commercial failures recorded after October, 1929. Banks on every hand collapsed. Mr. Wilbur then called attention to the magnificent record of the stock companies. With the possible single exception of one company that is still in the process of rehabilitation, they fulfilled in letter and spirit every promise that they had made in the policy contract. Probably a hundred were compelled to retire from the field but through merger or reinsurance policyholders were protected. With the exception of the one company to which he referred, he does not find that a single policyholder in a stock company had any loss.

Western Actuarial Bureau's Service

Mr. Wilbur said that in the 18 states covered by the Western Actuarial Bureau during the year ending Aug. 1, 1933, 7,404 risks were inspected and a total of 21,067 recommendations made for removal of hazards. More than 9,050 hazards were actually removed. This therefore is a constructive contribution to the conservation of property and life.

He said that an average of 25 percent of the premiums written are left with local agents as their commission. During the three year period a total of \$782,703,197 was disbursed as expenses in maintaining vital services the stock companies are rendering. During the same three year period these companies paid \$69,465,974 in taxes of which 4 percent went to the state insurance departments and the rest to the general fund. There was a grand total of \$1,752,414,052 expended during the three year period by the stock companies that are members of the National Board.

Effect of Securities Shrinkage

A study of security values of the stock fire companies shows that their funds shrunk \$800,000,000 during three years and a half. This was not due to any fault of management or to factors over which the companies had any control. Yet during this period the earnings from investments for these 300 companies are \$350,000,000. Despite underwriting losses and practically negligible underwriting profits in other years, they paid \$215,000,000 in dividends. This, Mr. Wilbur stated, was conclusive evidence of the way which these stock companies are managed.

In 1929, the average rate per \$100 for stock companies was 80.08 cents, it being practically 33 1/3 percent below the pre-war figure. In 1930 the rate was 76.91 cents; for 1931, 73.29 cents and for 1932 70.16 cents.

Quality, said Mr. Wilbur, is what counts in goods and services. Mr. Wilbur said while the efficient management of stock fire companies offers complete

(CONTINUED ON PAGE 28)

General Agents' Position Is Discussed by Cravens

NEW ORLEANS, April 25.—The status of the general agent and his relation to the local agent and companies were discussed by Rorick Cravens of Cravens, Dargan & Co., Houston, at the annual meeting of the American Association of Insurance General Agents here. Mr. Cravens sees no use in stirring up antagonism by trying to draw a line or magnify the distinction between general agents and salaried managers and state agents, as both classes have the same objective of trying to secure as much business with as low a lapse ratio as possible.

The biggest asset of a general agency is the confidence of its companies, said Mr. Cravens, as this works for permanency. Agency contracts are invaluable and a general agency cannot exist without them, but without the confidence of the companies these contracts will fade away because the companies will not give the general agent the tools with which to make his connection valuable to the agent.

Can Do Lot for Agent

"An office that has the confidence of its companies can do a lot of things for an agency that other offices cannot. It can take care of its farm business. It can write and even help him get gin lines, and so on. It can do these things only if it has demonstrated to its companies that its view on underwriting matters is the same as theirs, and that it is as careful as they are in the acceptance of risks, and has taught them that they can afford to give it authority."

A local agent with the title of general agent is one that is causing the differences between general agents and company men, especially in the casualty business. The general agent's misnomer is so usual in the casualty business that many casualty men think only of a general agency as being that type of organization. Indiscriminate payment of general agency commissions to local agents is one of the troubles with the expense ratios of some of those companies, said Mr. Cravens. It would be much better if these agencies were not confused with real general agents. Mr. Cravens' firm frequently refers to itself as "insurance managers" for that very reason. It would be better if those local agents were designated in some other way than as general agents. In some fields they are referred to by casualty men as "top cost agents."

The same situation is encountered in the fire business in a lesser degree, said Mr. Cravens. "The only successful line I have ever seen drawn in the definition of a general agency is according to whether it writes local business or not."

The separation of general agencies in Florida was commended by Mr. Cravens. He said the greatest service the general agents association can perform is to draw the line of distinction between dummy general agents and real ones. "It is the only way to protect our designation as general agents from abuse, and it will be a service to the companies, which as a group frown on dummy appointments, but are not always able to control one another in that practice."

Training Is Important

The importance of training and educating local agents to meet the problems they encounter in the business, was discussed by Mr. Cravens. He referred to the development of the life insurance business along this line. A lot has been said about there being too many agents, but this is true in all lines of business. "The real trouble is there are too many unqualified agents." The agents have attempted at various times to pass qualification laws, said Mr. Cravens. This is a sound plan in theory, but in practice it has not succeeded because it is very difficult to draft a proper sort of a law to handle the matter through legislation. The companies and general agents are the ones who can do the most towards having better qualified agents in the business by educating them.

Mr. Cravens told how his firm has held a school for agents, each department head giving instruction on his own subject. Schools are held in different sections of the territory, so all agents may easily attend the meetings.

The fundamental back of developing qualified agents is their proper selection, which is dependent on the special agent. For that reason the special agent should be trained carefully and kept constantly informed of the trends of the business. Because they are close to the special agents, the general agents are particularly fitted to keep them properly educated so they can carry the information to their agents, said Mr. Cravens. The general agents should equip themselves to render advice and proper instruction to their agents, so as to render greater service to companies, agents and the public.

Steckler Reelected by General Agents

President Recommends Program for Association—to Study Costs

MEET AT NEW ORLEANS

W. O. Wilson Discusses Local Agents' NRA Activities and Writing Practices—Raise Dues

OFFICERS ELECTED

President—Henry A. Steckler, New Orleans.

Vice-President—Rorick Cravens, Houston.

Secretary-Treasurer—G. E. Edmondson, Tampa, Fla.

NEW ORLEANS, April 25.—Henry A. Steckler was reelected president of the American Association of Insurance General Agents at its annual meeting here. In his annual report, President Steckler asked for closer cooperation and recommended a study of operating costs and general agency advertising and the compilation of a general agents' directory. The general agents association is now recognized by companies and agents as the representative of general agency organizations operating and rendering service to agents without competing for the local agents' business, he said. Companies recognize that the general agents are really interested in company problems as all matters concerning company operations are directly felt by the general agents.

Plans for accumulating pertinent statistical data and disseminating it to members should be worked out, said Mr. Steckler. Information should be provided on which management policies can be determined and operating ratios and costs be controlled. In discussing costs, Mr. Steckler said the expense of operation must not exceed that of direct company operation. He also recommended that the publicity committee consider desirability of advertising the general agency system separate from

(CONTINUED ON PAGE 28)

Chief Events in Career of New W. U. A. President

E. A. Henne of Chicago, vice-president and western manager of the America Fore companies, who has been elected president of the Western Underwriters Association, is a native of Germany, having been born there in 1877. At the age of seven years he accompanied his parents to Fort Scott, Kan., and his first insurance experience was with a local agency in that city. Later he became special agent of the National Union in Kansas and Oklahoma. Then he traveled for the John M. Thomas & Co. general agency of Dallas in Oklahoma. He went with the Continental as special agent in Oklahoma April 1, 1912, and was transferred to Iowa on Dec. 1, 1913. Later he was made Missouri state agent on Oct. 1, 1916. He was called to the western department office April 1, 1918, as executive special agent. On Jan. 1, 1921, he was appointed secretary of the American Eagle in charge of the western department. On Jan. 1, 1925, he was appointed secretary of all the America Fore companies and in September, 1929, was made vice-president. He has been active in the various organizations and is regarded as one of the most sterling men in the west.

Milwaukee Adjusters Cause Stir by Letter to Carriers

The Strauss, Zwartout, Zahn Company of Milwaukee, public adjusters and "insurance counsellors," has caused something of a stir by recently circularizing fire companies, asking them to sign an agreement that they will not take any Wisconsin cases into the federal court. Naturally, the companies have not complied with this request. This public adjusting firm advised companies that if they would not sign such agreement, their clients would be advised to patronize Wisconsin companies. Then there was the implication that a movement might be started to have assured divide their coverage, so as not to carry more than \$3,000 in any one company, in this way avoiding the possibility of a case getting into federal court.

The insurance commissioner of Wisconsin exacts from companies admitted to the state, an agreement that they will not take cases to the federal court. However, last year, in a test case brought by the Security of New Haven, the United States Supreme Court found that this agreement was not effective.

Second Wichita, Kan., Board Formed, Headed by Sugden

WICHITA, KAN., April 25.—A new local board is being organized in Wichita, the members to be agents from non-members of the Wichita Insurers. A preliminary meeting was held last week and R. C. Sugden of Smith & Sugden was named president; C. M. Culbertson of the Bloomington Mutual, vice-president and J. R. Rhodes of the Wichita Insurance Agency, secretary-treasurer. The membership will include both mutual and stock agents while the Wichita Insurers admit only stock company agents. It is said that about 18 agencies are members of the new association which will be fully organized by June 1.

Hazard on I. A. C. Committee

Dr. W. H. Hazard, New England Mutual Life, has been appointed a member of the executive committee of the Insurance Advertising Conference, in place of J. E. D. Benedict, Metropolitan Life, who has resigned because of retiring from business life.



The financial stability of North America as reflected in its national advertising is making it more than ever worthwhile for Agents to stress "North America Protection" rather than merely insurance. North America enjoys a surplus to policyholders of over \$45,000,000.

See the North America full page advertisement in *The Literary Digest* April 21, and *Time*, April 23.

Insurance Company of North America PHILADELPHIA

and its affiliated companies write practically every form of insurance, except life

Founded 1792
Capital \$12,000,000
Surplus to Policyholders over \$45,000,000



Change Rules on Growing Grain Cover in California

ALLOW WAREHOUSE TRANSFER

Extend Protection to Nine Months With
Graduated Reduction in Return
Premium

SAN FRANCISCO, April 25.—New rules governing the writing of growing grain insurance in California have been adopted by the Pacific Board. The new set of regulations, which greatly liberalize the old procedure and provisions, was the result of a conference of the farm committee of the board with a committee of local agents.

Under the new setup all grain policies written by board companies will take effect any date subsequent to March 1 and will be allowed to expire as of Nov. 30 instead of the 90-day period as heretofore required. This gives an automatic period of nine months instead of 90 days and it will be permissible for the insured's contract to be transferred from field to warehouse without change in rate.

Cancellation Periods Changed

The period for cancellation has also been changed radically. Instead of the requirement that earned premiums be determined on the basis of 30 or 60-day periods, the interim for cancellation has been revised to permit the agent to cancel the policy at any date within the periods. Another radical change from the old procedure is the new percentage of return premiums, regardless of the date of the policy. This new table is as follows:

When the policy is cancelled prior to June 15 the return premium is 50 percent; prior to June 30, 45 percent; July 15, 35 percent; July 31, 25 percent; Aug. 31, 20 percent; Sept. 30, 15 percent; Oct. 31, 10 percent; Nov. 30, nil.

In a statement explaining the plan, the board's farm committee says:

"Under this plan should a grower sell his crop in the field after harvesting he may do so on a more graduated cancellation basis. On the other hand, if he hauls it to warehouse, where it may be stored, the transfer to warehouse will protect him up to Nov. 30 under the growing grain policy with proper transfer on the policy.

May Increase Amount

"Increases in the amount of the policy as a result of increased yield over that originally estimated, or increase in market price during the term of the policy may be made by endorsement on a pro rata basis."

The committee also states that one of the principal obstacles heretofore existing in the writing of this form of insurance has been the inability on the part of the agent to secure the consent of the insured at the time of his first visit to place the policy in effect. Climatic conditions vary to such an extent that within a week or ten days after the agent's first visit grain will begin to ripen, occasioning a second visit by the agent in order to put the insurance in effect.

Meets Agents' Approval

The plan was explained to a meeting of local agents in Modesto, where the farm committee of the California Association of Insurance Agents appeared before the group in that grain section to review the general farm insurance problem. The new plan has met with the hearty approval of the agents in the grain sections and it is expected that it will aid materially in the adjudication of the remaining part of the farm insurance controversy.

The committee which brought about the agreement with the board's farm committee consisted of H. J. Thielen, Sacramento, chairman of the agents' farm insurance committee; L. Wraith, Woodland; G. C. Dohrman, Stockton;

Heads Committee



JAMES M. CROSBY, JR.

James M. Crosby, Jr., who is chairman of the committee in Grand Rapids, Mich., which will have charge of arrangements for the annual meeting of the National Association of Insurance Agents in that city, was born in Grand Rapids and has always lived there. He attended the University of Michigan from 1918 to 1922, since which time he has been associated with his father in the J. S. Crosby & Co. agency, which was established in 1858. He is president of the Grand Rapids Association of Insurance Agents and a member of the governing committee of the Michigan Association of Insurance Agents.

Plans for the Round Table Conference in Washington

At the annual meeting of the United States Chamber of Commerce the insurance division will have a special program. On May 1, at the luncheon of the national councillors, awards will be made to the winners in the six population groups in the inter-chamber fire waste contest. President W. H. Koop of the Great American, who is also president of the National Board, will make the presentation. Alfred Hurrell, vice-president of the Prudential, will present awards to the winning cities in the inter-chamber health conservation contest. On the afternoon of May 3, there will be the insurance round table conference when the speakers will be President M. J. Cleary, Northwestern Mutual Life; Secretary J. J. Fitzgerald, Grain Dealers National Mutual Fire of Indianapolis, and R. J. Sullivan, vice-president of the Travelers.

Helpful Text on Golf

Insurance golfers will be interested in a new text book on the game entitled "From 102 to 82 in a Month or Two." The authorship of the volume is a secret, but it contains a statement from Donald Mackay, well known golf teacher, that the text presents the most concise word picture of the golf swing that has ever been brought to his attention.

The book is written in such a way as to make it readily understandable by the average or "dub" golfer. It attempts to give the average player facts and make it possible for him to improve his game himself. The book contains a number of carefully described illustrations. The price is \$1 and the book may be obtained from Golf Secrets, P. O. Box 464, Springfield, O.

A. H. Smith, Napa, and F. C. Colridge, secretary of the California Association of Insurance Agents.

AS SEEN FROM CHICAGO

YORKSHIRE, SEABOARD IN MOVE

The Chicago branch of the Yorkshire, London & Provincial, Seaboard F. & M. and Yorkshire Indemnity under Manager S. W. Skiple and the western executive office of the Seaboard Surety under Manager G. B. Slattengren, both in the Insurance Exchange but in different quarters, are going together in more commodious space in A-1761 Insurance Exchange. The move gives agents combined facilities in one office.

DIRECTORS ARE NOMINATED

Those nominated as directors of the Chicago Board for election at the quarterly meeting Thursday are J. R. Cashel, western manager Providence Washington; J. I. Naghten of John Naghten & Co., and C. M. Hayden, Chicago manager Glens Falls.

COMPANY LINEUP ANALYZED

The Chicago Board has been checking the representation of member agencies, to ascertain the lineup in view of the separation movement. In its tabulation, the Chicago Board counts all who are authorized to write policies, including western managers and Cook county managers as well as strictly agency members. According to that tabulation, there are 79 offices which represent exclusively Western Underwriters Association companies; 56 offices are mixed and eight offices represent exclusively bureau or non-affiliated companies. A tabulation of the "Insurance Exchange Magazine," counting only strictly agency members of the board, shows 55 agencies to be clear W. U. A., 52 mixed and two clear bureau or non-affiliated.

ELIEL & LOEB ACT QUICKLY

Hardly had the record of the transactions of the Western Underwriters Association at its annual meeting at White Sulphur Springs been completed and before it had been officially transcribed, the Eliel & Loeb Co. of Chicago resigned its W. U. A. companies, the Allemannia Fire, New Brunswick Fire and Atlas Underwriters. J. M. Loeb, head of the agency, who has taken no active part in the management in recent years but who sojourns in his sylvan retreat at Cable, Wis., went to Chicago to take charge of the Eliel & Loeb Co. troops. He stated that his agency had always been independent and he did not relish any attempt on part of companies to dictate to him as to what kind of companies he should represent. Eliel & Loeb Co. has the Globe & Republic, Merchants Fire of New York, Tokio, Monarch and New York Fire. It has the sole agency of the Century of Scotland which is a W. U. A. company but owing to the personal relationship between J. M. Loeb and the managing director in Edinburgh no action has been taken as to this company although ultimately the agency will represent only non-affiliated companies.

Eliel & Loeb Co. announced this week the agency has taken on the Pearl.

Other agencies are more deliberate and are waiting the outcome. Mr. Loeb, when he announced the resignation of the three companies, stated: "You might say that we are going to be a bigger factor in the Class 2 field." Supervising offices in Class 2 territory are so solicitous as to the effect of the separation program in that field where company representation does not cut so great figure as commissions.

The general opinion among agents in Chicago is that there should be no untoward action on part of either companies or agents that will lead to a fight either as to rates or commissions. All realize that some ill advised movement might lead to great disaster. The

Chicago Board is a strong organization. The Chicago agents are opposed to the W. U. A. action. However, they realize that the agency clearance principle is backed solidly by the Insurance Executives Association. A rate or commission war in Chicago and Cook county would mean chaos and would ruin many agencies. Therefore candor and consideration of all angles in a judicial way will undoubtedly prevail.

Fred S. James & Co. has been appointed Cook county general agent of the Pacific Fire of New York, not only for fire lines but also the automobile department. James & Co.'s other representation is ten Western Underwriters Association companies. The Pacific is a company of over \$6,000,000 admitted assets, \$1,000,000 paid up capital and over \$1,000,000 net surplus. It was started in 1851. C. V. Meserole is president. The company is non-affiliated in the central west.

PLANS FOR STAFFORD BANQUET

Final arrangements have been made for the complimentary banquet to be

given at the Hotel LaSalle in Chicago next Monday evening in honor of John F. Stafford, western manager of the Sun, who retires that day from active service with the company. The affair is given under the auspices of the Illinois Blue Goose. There will be a reception at 6 o'clock and the banquet will be served promptly at 6:30 p. m. Insurance Director Ernest Palmer of Illinois will be the toastmaster. Talks will be made by W. T. Benallack of Detroit, secretary Michigan Fire & Marine, former most loyal grand gander of the Blue Goose; C. P. Helliwell of Milwaukee, general agent New Brunswick, who is grand wielder of the



FRIENDS SPEAKING.....

"I LIKE the Millers National for all its good qualities and a lot more insignificant things, but they all count and make a mighty fine aggregate."

—ARCATA, CALIF., LOCAL AGENT.

"MILLERS NATIONAL has not been too big to acknowledge the efforts and results of an agency that has worked for the mutual interest of both."

—ATLANTIC CITY, N. J., LOCAL AGENT.

"WE believe Millers National is the finest Company operating."

—FOND DU LAC, WIS., LOCAL AGENT.

EXPLAIN, IF YOU CAN, that feeling towards each other of two life-long friends, whose friendship is built upon mutual trust, respect, and admiration.

There exists an element of that feeling between Millers National and agents. It cannot be explained except in the light of experience. It is a spirit that permeates the whole organization.

Millers National's excellent reputation built through 69 years of conscientious service, and its unusual financial strength justify agents' faith and confidence.

Wouldn't you like to know more about the Millers National? Wouldn't you be interested in representing this friendly company?

For information write to the Home Office—no obligation, of course

1865  1934

MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

One of the Strongest in Business



**TIME-TRIED
AND
FIRE TESTED**

THE PHOENIX INSURANCE COMPANY
of Hartford, Conn.

THIS COMPANY PUBLISHES SEVERAL EDUCATIONAL FOLDERS. YOU MAY HAVE ANY OR ALL OF THE THREE LISTED BELOW, BY INDICATING YOUR CHOICE ON THE COUPON AND MAILING IT TO THE OFFICE OF THE COMPANY AT 30 TRINITY ST., HARTFORD, CONN.

- ☐ COINSURANCE CLAUSE - A BRIEF, POPULAR EXPOSITION OF AN IMPORTANT FEATURE OF MANY INSURANCE CONTRACTS.
- ☐ RIOT AND CIVIL COMMOOTION INSURANCE - WHAT IT IS, WHY IT IS AND HOW IT WORKS. TOLD IN A CLEAR, CONCISE STYLE.
- ☐ USE AND OCCUPANCY INSURANCE - A SHORT EXPLANATION OF THIS COMPLEX SUBJECT.

CHECK THE ONES YOU WANT AND FILL OUT COUPON

NAME..... N. U.
TITLE.....
ADDRESS.....
CITY..... STATE.....

goose quill; L. H. Bridges of Chicago, special agent of the Home, most loyal grand gander of the Blue Goose; L. E. Yager, Chicago Board president; L. A. Rose, Chicago local agent, and C. R. Street, western manager Great American. C. F. Thomas, secretary Western Underwriters Association, is chairman of the committee on arrangements and H. W. Chesley, assistant secretary, is secretary of the committee. It promises to be one of the most interesting affairs of the season. Mr. Stafford will leave the next day for Babson Park, Fla., where he will reside.

P. J. Priore, of New York City, assistant United States manager of the Sun, will attend the Stafford dinner.

CHICAGO SAFETY COUNCIL RALLY

At the annual Mid-west Safety Conference under the auspices of the Chicago Safety Council, Illinois Industrial Commission and safety section of the American Railway Association to be held at the Sherman hotel in Chicago, May 9-10, Chief J. W. Just, fire department instructor of the Illinois Inspection Bureau, will give a talk on "First Aid Fire Appliances;" Gifford Cook, engineer of the National Board on "Common Fire Hazards;" L. M. Rice, district chief engineer Liberty Mutual of Boston in Chicago on "Good Housekeeping;" T. C. Angerstein, a Chicago attorney, on "What Does Illinois Need in Occupational Disease Legislation?" Chief Harold K. Rogers, fire prevention department Western Actuarial Bureau, will give a talk on "Industrial Fire Brigades."

LIFE DEPARTMENT OPENED

The Metropolitan Agency of Chicago in charge of Horan & O'Brien has established a life insurance department in charge of E. H. Steffelin, formerly of the insurance firm of Wolfe-Steffelin Company. Mr. Steffelin later was manager of the Insurance Exchange agency of the Illinois Life and later was Chicago manager of the Girard Life. Al Horan is chief bailiff of the municipal court and M. J. O'Brien was formerly chief clerk of the sanitary district. Both are prominent politicians.

O'CONNOR HEADS EXAMINERS

J. B. O'Connor, National of Hartford, vice-president Fire Insurance Examiners Association of Chicago, was elected president at the annual meeting. R. J. Bothwell, American Fore, was named vice-president; R. R. Stick, Hartford, became secretary, and J. C. Johnson, Fireman's Fund, treasurer. Due to the fact Mr. Johnson was a director, and had a year's term to run, three instead of two places on the board were open. H. O. Larson, North America; R. H. Erickson, American Reserve, and W. L. Sundstrom, Western Factory were elected directors. R. J. Petrick of the Atlas, retiring president, was presented a handsome clock on behalf of the association by H. G. Freitag, National of Hartford. John Leissler, Chicago insurance newspaper man, discussed some aspects of inspection work on the south side. The association will not meet again until in September.

W. L. B. DIRECTORS MEET

The directors of the Western Insurance Bureau held a regular meeting in Chicago Tuesday, the first since decision by the Western Underwriters Association to enforce separation in the excepted cities. The question of separation was discussed informally, but no action was taken and no announcements made.

L. M. Drake, Sr., of Critchell, Miller, Whitney & Barbour, left last week on a three weeks' trip across the coast of the state of Washington where he will sojourn on the Vachon Island.

Clark on Western Trip

R. R. Clark of Hartford, United States manager of the Caledonian, is on a western trip and will visit Milwaukee, looking over the Wisconsin field preparatory to appointing a special agent.

COMPANY NEWS

David M. Milton President of the American Colony

NEW YORK, April 25.—David M. Milton, son-in-law of J. D. Rockefeller, Jr., and head of the group of investors which last year effected a merger of the American Colony, American Merchant Marine and Colonial States Fire under the title of the American Colony, was elected president of the merged company at an organization meeting of the directors. Other officers elected are R. L. Stewart and A. E. Karn, vice-presidents; A. F. Milton, treasurer, and Edgar Clark, secretary.

No announcement was made as to the company's plans for the future. The merger was effective as of Dec. 31, 1933, and was approved by the New York department in March.

Directors include S. W. Anderson, Edgar Clark, D. B. Donald, J. J. Irwin, Jr., G. C. Johnstone, G. Hilmar Lundbeck, Jr., A. F. Milton, D. M. Milton, Edgar Palmer, Bernard Peyton, R. L. Stewart, J. E. Whinery, and H. L. Walton.

Milton is chairman of the General American Life of St. Louis, which succeeded to the business of the defunct Missouri State Life.

Amend Rhode Island Charters

PROVIDENCE, R. I., April 25.—Bills amending the charters of six Rhode Island companies to allow them to increase the classes of risks they assume have been introduced in the legislature. The companies are the Manufacturers Mutual Fire, Mechanics Mutual Fire, Enterprise Mutual Fire, American Mutual Fire, Rhode Island Fire and State Mutual Fire.

S. B. Emerson Vice-president

Sumner B. Emerson, who has been manager of the Philadelphia office of the Guaranty Company of New York, has been elected a vice-president of the Fire Association in charge of its financial department. He takes the place left vacant by the death recently of William S. Evans. He also becomes vice-president of the affiliated Victory and Reliance. Mr. Emerson entered the investment banking business with the Guaranty Company after his graduation from Dartmouth in 1917. He was located first at Buffalo and then at Montreal. He has been in Philadelphia since 1930.

Westchester County Elects

The Westchester County Association of Local Agents held its annual meeting in White Plains, N. Y., and elected the following officers: President B. B. Riley, Tuckahoe; vice-president, R. W. Mackenzie, Yonkers; secretary-treasurer, J. K. Crawford, Mt. Vernon. Directors: M. M. Lent, White Plains; E. P. Schaefer, Mt. Kisco; Reuben Subotky, Mt. Vernon; H. K. Morrell, White Plains; C. W. Newman, Jr., Yonkers; F. T. Wilson, Mamaroneck, and H. E. Colwell, Jr., New Rochelle.

Factory Mutual Losses Given

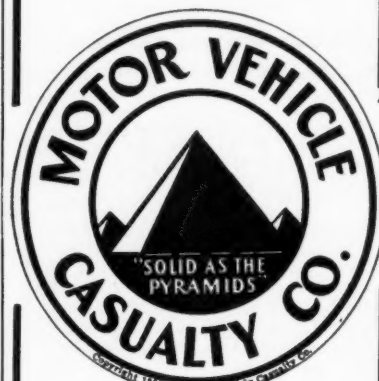
In the tabulation, taken from the Argus Fire Chart, showing the aggregate results of the various types of fire insurance companies, the losses of the factory mutual companies were not given. The losses paid, including adjustment expenses, of this group amounted to \$1,558,705. Premium deposits received during the year were \$21,378,295; premium deposits in force at the end of the year \$43,809,817 and unabsorbed premium deposits returned were \$21,926,260.

The What Cheer Mutual Fire and Hope Mutual Fire of Providence have been licensed in California with F. E. Slayter of San Francisco general agent.

Under same management for 19 years.

Sound Automobile Insurance

Inquiries from responsible agents and brokers welcome.



HOME OFFICE

223 W. Jackson Blvd., Chicago, Illinois

A STOCK AUTOMOBILE COMPANY

Established 1914
as Motor Vehicle Underwriters
Incorporated 1930

N. Y. Brokers Association in Annual Dinner Meeting

VAN SCHAICK, HUBBARD SPEAK

President Schiff of National Organization Reviews Evils, Outlines Aims and Purposes

NEW YORK, April 25.—In addition to several hundred members of the Insurance Brokers Association of New York, a number of important company officials of this city and Hartford attended the annual dinner-meeting last night, at which Superintendent G. S. Van Schaick and Assistant Secretary C. T. Hubbard of the Automobile were guest speakers.

At the business session W. P. Brinckhoff, C. L. Despard, E. T. Fox, T. F. Handy, R. E. Kipp, William Schiff and P. T. Stillman were elected directors. President L. J. Rice in his address reviewed the year's activities of the association, mentioning particularly the brokers' interest in the proposed fair practice code submitted by the agents' organization, the creation of the National Association of Insurance Brokers and the issuance of the "Broker-Age," as the official organ of the association here.

Schiff Tells National Aims

William Schiff, president of the recently formed national organization, spoke of its aims and purposes, which he said would be clearly set forth as soon as the various committees have formulated their policies. Subjects of primary interest confronting the brokers, Mr. Schiff said, are the discrimination shown toward brokers in various sections of the country; payment of commissions on brokers' business to non-service-giving local agents; multiplicity of rating bureaus with their often conflicting requirements; payment of ex-

cessive commissions, and the free service evil.

In addition to urging organized brokers of the country to use their utmost endeavors to correct these conditions, President Schiff stressed the need of watching closely the progress of the proposed fair practice code favored by agents; outlining methods for meeting mutual competition effectually; considering trend of rates and commissions in workmen's compensation business and insisting on brokers getting a square deal everywhere.

Raps Excess Commissions

He characterized the payment of excess commissions as being economically unsound, and unfair to assured, an evil, he maintained, not confined to the fire line but applicable to every division of insurance. He was particularly vigorous in his denunciation of the free service granted by some companies to brokers, declaring this to be an unwarranted charge on premium rates, and unfair to brokers who maintain their own office and employ full clerical staffs.

National Board Publishes Report on Chicago Heights

The National Board has made a report on Chicago Heights, Ill., the fire per capita losses between 1928 and 1930 exceeded \$5.40; in 1931, \$4.19; in 1932, \$3.11 and in 1933, \$1.48. Early this year one fire caused a loss of \$9,295 and another \$24,500. These two fires, the National Board engineers say, were close to the headquarters' station and both were reported well involved upon arrival of the fire department. The fire department consists of 18 men including the chief, one assistant chief, one captain, one lieutenant and 14 privates.

Station 2 in the eastern part of the city has been closed and the 750-gallon pumper is held in reserve at headquarters. This reacts unfavorably on distribution, resulting in runs of up to 134

miles to manufacturing plants in the northeastern portion, and, because of the prevalence of railroad grade crossings, some additional delay may result at times in detouring to the one subway underpass which is provided. The report says:

"In the past few years the majority of the serious fires have occurred in the early morning hours and have gained considerable headway. In some cases they were caused by explosions or semi-explosions and were of a flash nature, spreading very rapidly. There have been many of unknown or suspicious origin. These conditions, together with the prevailing weak structural conditions in both the mercantile district and in industrial plants, have been a considerable factor in the high losses which have prevailed. Fire methods appear not to warrant material criticism when the very seriously undermanned condition of the department is considered. It is realized that outside aid must be called upon for spreading fires, and in such cases the mutual aid arrangements of cities and towns in the vicinity is depended upon.

"While the man power of the department is so seriously reduced, it is of utmost importance that the program of drills and training be continued more thoroughly than ever so that there will be no hesitation on the part of any of the members in carrying out their duties at fires. Vigilance in fire prevention inspection work for the abatement of hazards and in police work for the prevention and investigation of suspicious fires should be redoubled to minimize the number of alarms which have to be answered."

Middle West Notes

The name of the Gunther, Plummer & Wuest Co., Cincinnati, has been changed to the Gunther-Looker Co. Joseph Gunther is president; Bertha Looker, vice-president, and Harry W. Looker, secretary.

Maxwell Underwriters, 2022 Union Guardian building, Detroit, has been incorporated by F. J. Powers.

Recovery Depends on Net Earnings, Falls Argues

WASHINGTON, D. C., April 25.—

One of the principal topics of discussion today is the prospective earnings of business, Laurence E. Falls, vice-president of the American of Newark, told the Insurance Club of Washington in a talk on "Use and Occupancy Coverage." Recovery of this nation and its people from the conditions of the last three years is judged, by competent observers, to be dependent largely upon the net earnings of industrial, mercantile, and agricultural activities, which will permit reemployment and stimulate confidence, said the speaker.

"The insurance business is a business of conservation," said Mr. Falls, "and its activities are primarily two-fold. The experience, which we in the business have gained from the observation of many catastrophes, is employed by us constantly in pointing out to property owners the conditions which produce and contribute to avoidable waste.

Perils of Elements

"There remain the perils of the elements and of the hazard inherent in present-day industrial and mercantile operation. The insured can assure his retention of accumulated earnings, as represented by investment in property, and his future prospects, as represented by his prospective net earnings, only by the purchase of insurance indemnity.

"It is my observation, resulting from hundreds of cases, that not one business in a hundred has net earnings of the same amount for each of the business days of the year. Where there are fluctuations of such, the 300-day form grants inadequate insurance unless the amount of the policy is 300 times the largest day's anticipated net loss which may be caused by interruption of the business."

INTER-OCEAN REINSURANCE COMPANY

CONDITION DECEMBER 31, 1933

ASSETS		LIABILITIES	
Cash in banks.....	\$ 368,870.79	Unearned premiums	\$1,907,707.77
Bonds	2,100,317.41	Reserve for losses.....	219,881.05
Stocks	333,692.62	Reserve for taxes.....	51,546.04
First mortgage loans.....	605,967.55	Funds held for treaties.....	26,642.74
Home office building.....	87,781.79	All other liabilities.....	73,131.05
Collateral loan	6,500.00	Voluntary reserve	150,000.00
Accrued interest	110,773.43		
Due from insurance companies.....	330,941.36	Capital	\$ 500,000.00
		Surplus	1,015,936.30
		Treatyholders' surplus	1,515,936.30
Admitted assets	\$3,944,844.95		\$3,944,844.95

This statement is based on market values as of December 31, 1933. Complete list of bonds and stocks will be furnished to insurance companies on request.

REINSURANCE — FIRE AND ALLIED LINES

Home Office
Cedar Rapids, Iowa

Eastern Department
123 William St.
New York City

Suit of the Cotton States Mutual Ends in Mistrial

TO BE RETIRED IN MAY TERM

Seeks \$250,000 Damages from Central Manufacturers Mutual in Connection with Reinsurance Deal

COLUMBIA, S. C., April 25.—The suit of the Cotton States Mutual against the Central Manufacturers Mutual of Van Wert, O., and S. C. Roper for \$250,000 will be tried again the second week in May as a result of the failure of the jury, after a trial lasting eight days, to agree upon a verdict.

Judge Rice held the jury 20 hours, before ordering a mistrial.

The Cotton States Mutual contended that the Central Manufacturers opened negotiations for reinsurance and then backed out; that, in the meantime, the Central Manufacturers divulged information which it had obtained from the Cotton States Mutual while the negotiations were under way which resulted in heavy losses to the Cotton States.

Agency List Revealed

Cotton States alleged that it had opened its agency and policyholders list to the Central Manufacturers and bared its financial condition.

The Cotton States alleged that it called a meeting of its agents and permitted representatives of the Central Manufacturers to address them and that they told the agents they had purchased the Cotton States and that company was through as an insurance company and "that thereafter such agents would thereby represent a company whose financial backing and general management considerably exceeded that of the plaintiff" and "that the purchase by the defendants of the plaintiff was extremely fortunate since the plaintiff was in a sorry financial plight."

On the day following the meeting, the allegation is the Ohio company notified the Cotton States it did not intend to make a deal. It is alleged the confidence of Cotton States' agents was so weakened that many agencies canceled their contracts and that the Cotton States' insurance in force dropped from \$4,682,500 to \$2,853,100.

Position of Defense

The defense presented witnesses to show that the Cotton States' financial condition was such that it did not feel justified in closing the deal after negotiations were opened. Its witnesses insisted they had notified the plaintiff that they would take no definite action until they had seen an audit showing the company's conditions. After this audit was presented, the defense witnesses testified they decided not to close the deal.

Among those to testify for the Cot-

Assumes Managerial Job for the Sun Next Week



CHARLES W. OHLSEN

Practically the entire insurance experience of Charles W. Ohlsen, who succeeds John F. Stafford on May 1 as western manager of the Sun, has been with that company. Mr. Ohlsen is a native of Chicago. His first connection with insurance was with the Western Factory in 1910, when he was employed as an office boy. A year later he obtained employment in the western department of the Sun and was reinsurance clerk, remaining until 1917, when he resigned to engage in the wholesale tire business in Chicago. However, after little more than a year, he returned to the Sun as an examiner and in 1919 he was sent into the Illinois field as state agent. He continued to travel in Illinois until 1926, when he was taken into the western department office as agency supervisor. On Jan. 1, 1930, he was appointed assistant manager and in October of that year was named first assistant manager.

Mr. Ohlsen is most loyal gander of the Illinois Blue Goose and he is a past president of the Illinois state board, now the Illinois Fire Underwriters Association, having served in 1925-26.

ton States Mutual were M. J. Miller, vice president. Joseph Norwood, president of the Cotton States, did not testify for his company but was subpoenaed by the defense so as to bring out points as to the financial condition of the Cotton States.

Sam B. King, South Carolina insurance commissioner, was among witnesses to testify for the plaintiff.

J. S. Kemper testified for the defense.

Dispute Over Commissions in New Jersey Is Settled

E. U. A. WILL ADOPT CHANGES

Graded Classification Provides for 5 Percent Less Commission for Non-Policy-Writers

NEW YORK, April 25.—Reprints of the graded commission classification for New Jersey adopted by the Eastern Underwriters Association in 1932 have been supplied all members, with suggestion that copies be furnished their local agents. Particular attention is called to the fact that the allowance to non-policy-writing agents is "uniformly five points less" than that granted full service agents. It was the payment of full commissions to non-policy-writing agents by some companies that created such disturbance in New Jersey some months ago. It not only aroused the regular office agents but the insurance department as well. The commissioner said that unless the practice was corrected voluntarily by the companies, he would take official action.

So impressed were E. U. A. members with the need for remedying the admitted violations, that at a late meeting of the organization its president, H. V. Smith, was directed to assure C. A. Gough, deputy commissioner of New Jersey, that full compliance with the demands of the department would be made, and that the rules of the governing body would be amended so as to make repetition of the evils alleged virtually impossible in future. Such pledge was given by President Smith in several later conferences with Mr. Gough and at the meeting of the E. U. A. this afternoon, the recommended changes in its regulations, all of which have previously been bulletined to members, will be adopted.

It is understood, moreover, that the situation as it now exists is quite acceptable to the special committee of the New Jersey Association of Underwriters that has been handling the matter on behalf of the organized agents.

Swett & Crawford Appointed

The San Francisco general agency of Swett & Crawford has been appointed Pacific Coast general agents for the inland marine and all-risk departments of the Northern of London and Sun Underwriters.

Cogley Has Relapse

John M. Cogley, Sioux Falls, S. D., general agent, who was taken ill at Washington, D. C., with pneumonia, was taken back to Sioux Falls after his condition had shown improvement. Suffering a relapse, his condition is again serious.

Aviation Underwriters on Outlook for Brighter Day

NEW AIR LINE ESTABLISHED

Lower Prices Are Considered a Good Omen for This Class of Insurance By Experts

NEW YORK, April 25.—Gulf Airways, operating between New Orleans and Tampa, the first new airline to come into the aviation insurance market in more than a year, began operations last week. Insurance coverage was written by W. E. Smith, Tampa general agent, through the United States Aviation Underwriters.

Aviation underwriters are experiencing a definite upturn in business and hope that the Tampa-New Orleans line is the forerunner of revived interest in the opening up of new commercial lines. In number of policies in force aviation insurance is now ahead of any time during the last three years, being almost up to the 1930 level.

Because of the considerably lower valuations of today due to the generally lower price level and more efficient manufacturing methods in aviation, the dollar volume of business in force has not shown the same upward trend that the number of cases has. However, lower prices are a good omen for aircraft insurance, for they mean that more airplanes will be bought, with a consequently larger volume of business and a desirable spread of risk over many relatively low-cost units rather than over a few very costly ones. There has also been a notable increase in private flying, a field in which aviation underwriters are keenly interested seeing progress.

Agent Covered Moving of \$100,000,000 Securities

W. F. Patterson, local agent at Omaha, wrote the insurance covering the securities of the Woodmen of the World when they were moved three blocks. The total insurance was over \$100,000,000 with a limit of \$5,000,000 on any one trip. It took 22 loads of the cars to complete the shipment and there was a total of 70 men employed. The St. Paul had 30 policemen armed with machine and shot guns and there were 40 armed guards of the Woodmen of the World. Police cruiser cars patrolled parallel and intersecting streets. All traffic was cut off while the truck was being loaded and unloaded. The chief of detectives drove the forward escort car. Mr. Patterson about a year ago had similar coverage for the Woodman Circle in Omaha when \$30,000,000 in securities were moved.

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NEWS OF FIELD MEN

Rae Head of Montana Pond

Spring Meeting of Blue Goose and Special Agents Association Held at Butte

BUTTE, MONT., April 25.—At the annual spring meeting of the Montana Blue Goose W. E. Rae of Havre, Royal-Queen special agent, was elected most loyal gander. Other officers are: Supervisor, G. E. Stroub, Great Falls, Home of New York; custodian, Wilbur Quirk, Billings, branch manager Fire Companies Adjustment Bureau; guardian, E. F. Sullivan, Butte, surveyor Pacific Board; keeper, C. V. Templeton, Jr., Great Falls, Aetna Fire; welder, James Mack, Butte, chief examiner Pacific Board. E. L. Dee, Butte, Commercial Union, outgoing most loyal gander, was named delegate to the grand nest meeting at Omaha, with C. W. Cook, Butte, as alternate.

The administration of the pond's benevolent fund was considered and a committee of three was appointed to cooperate with the permanent custodian in administering the fund. A membership committee was appointed and in the future only one initiation will be held annually at the fall meeting in Great Falls. Mr. Cook reported on the San Francisco conference.

Mr. Rae was toastmaster at the banquet and Mr. Dee was presented with a past most loyal gander emblem.

Practically all of the Montana special agents, including field men from Utah and Washington, attended the all-day meeting of the Montana Special Agents Association, which also convened in Butte with President G. E. Stroub presiding. Officers and special committees reported. Round table discussions and reports of conferences by the contact and governing committees of the association, pertaining to rating, underwriting practices and experiences, and other problems of interest, featured the sessions.

C. V. Templeton, Jr., "dictator" of the Montana Special Agents Association, was presented with a picture of Premier Mussolini of Italy on behalf of the Butte members of the association. Out of state visitors were C. R. Kerns, C. C. Coffey and A. W. Johansen of Spokane, and C. Douglas of Salt Lake City.

Dorbert With Dubuque Group

Will Take Over Most of the Field Work for Those Companies in Ohio—Well Known in State

A. W. Dorbert of Columbus, O., has been appointed special agent for the Dubuque Fire & Marine, National Reserve and Reserve Underwriters. Secretary S. F. Weiser, who has been in Columbus, arranged with Mr. Dorbert to take up this work. He will cooperate with J. W. Reed of Chicago, state agent for Ohio and Indiana, who hereafter will give most of his time to the Indiana field, leaving Ohio pretty largely to Mr. Dorbert.

Mr. Dorbert is well known in the Ohio field and has long been active in the various fire insurance organizations. He was with the Caledonian 13 years, then with the New Zealand for five years, later joining the State Assurance and the Royal Exchange group, for which he traveled in Tennessee and Kentucky up to about a year ago.

Stein with Swett & Crawford

H. G. Stein, special agent in Oregon for the Sun for several years, has joined Swett & Crawford and will have headquarters in the Failing building, Portland.

D. C. Pugh Now State Agent

Royal Man Joins North America in Ohio—Stetner Transferred from Tennessee to Kentucky

D. C. Pugh of Columbus, O., has resigned as special agent for the Royal in the special service department, to become state agent for the North America in southwestern Ohio with headquarters in Cincinnati. He succeeds V. L. Montgomery, who is being brought into the western department of the North America as chief underwriter. Mr. Pugh has been connected with the Royal about five years. Previously he was employed in the Ohio Inspection Bureau.

When arrangements were made to take Mr. Montgomery into the Chicago office, the plan was to transfer Special Agent E. H. Ryan from Wisconsin to Ohio to succeed Mr. Montgomery. However, a few days later State Agent Arthur H. Ely of the North America in Wisconsin died and Mr. Ryan was continued in Wisconsin and made state agent in the southern part of the state with headquarters in Milwaukee.

Bridgford to Cleveland

George W. Bridgford is being transferred from the western department office of the North America to Cleveland to be associated with State Agent Harry Howarth in Cleveland and northern Ohio.

George E. Stetner is being transferred by the North America from Tennessee to western Kentucky, with headquarters at Louisville, where he will be associated with J. E. Chittenden. Mr. Stetner has been with the North America for several years. He is a graduate of the Northwestern University fire insurance course.

Bell in Full Charge of Ohio

Son of Western Manager of National Is Transferred to Columbus by That Company

Fred G. Bell, who has been in charge of northeastern Ohio for the National of Hartford with the title of state agent, is being transferred to Columbus, where he will supervise the entire state for the National. He is the son of Western Manager George H. Bell. In Columbus he succeeds Glenn L. Thrush, who has been state agent in Ohio with jurisdiction outside of the territory formerly supervised by Mr. Bell. Mr. Thrush is being continued with the National in another capacity.

Special Agent George Wilkinson, who had been Mr. Bell's assistant in the Cleveland territory, will continue to handle that field with headquarters in Cleveland.

Fred Bell started to work in the western department of the National after the war. He was sent into the Missouri field for a while, then into Indiana and then Ohio, where he served as special agent before being placed in charge of the Cleveland territory.

Flood Joins Royal in Ohio

Well Known Inspection Bureau Man and Blue Goose Leader Succeeds D. C. Pugh

Bernard F. Flood has resigned his position with the Ohio Inspection Bureau to become associated with the Royal in Ohio field work. He succeeds D. C. Pugh who is going with the North America.

Mr. Flood has been with the inspection bureau for a number of years. He has been active in the Ohio Blue Goose, having served as welder for a number

of years and later serving one term as most loyal gander.

Install Wichita Puddle May 2

Wichita field men, adjusters and Kansas Inspection Bureau men, who have been holding Monday luncheon meetings for several weeks preliminary to the establishing of a puddle of the Kansas Blue Goose, met with officers of the Kansas pond to work out final details of the installation, which is scheduled for May 2. Most Loyal Gander H. O. McIntosh of the Hanover, Byron R. Ward of the Law Union & Rock and Howard Searle of Crum & Forster were present. C. C. Crowe of the Underwriters Adjusting has been chairman of the temporary organization. George Steeples, Home; Carl Bailey, Crum & Forster; George Montgomery, Western Adjustment, and E. B. Ferguson, Kansas Inspection Bureau, compose the committee on arrangements for the puddle.

The Kansas Fire Underwriters Association and Kansas Fire Prevention Association will also meet in Wichita May 1-2.

Lingenfelder Detroit Speaker

DETROIT, April 25.—C. J. Lingenfelder, agency superintendent America

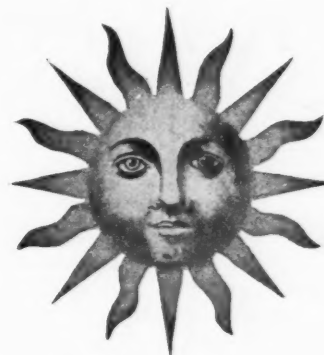
Fore, Chicago, was the guest of honor at the April meeting of the Michigan Fire Underwriters Association. He was introduced by L. J. Gilmour, America Fore special agent. President T. C. Little, Fireman's Fund, occupied the chair.

Fischer in Charge of Entire Home Fleet Now in Indiana

Supervision of the Indiana business of all companies in the Home of New York fleet hereafter will be in the hands of State Agent L. J. Fischer, with R. J. Harmon and R. L. Engle as associate state agents. Mr. Fischer and Mr. Harmon had been state agents of all the Home companies except the National Liberty and Baltimore American, which were handled by Mr. Engle. All will continue their headquarters in Indianapolis. All three state agents have been in the Indiana field for a number of years, Mr. Fischer graduating from the head office of the Home in 1924.

Crist with Security

J. W. Crist, recently appointed Oklahoma state agent for the Security Fire, East & West and Connecticut Indemnity, has assumed his new duties at



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Oklahoma City. He formerly was with the American Central and Commercial Union in Missouri and succeeds Worth Farmer, resigned, at Oklahoma City.

Tennessee Field Meeting

The Tennessee Fire Underwriters Association, the Tennessee Fire Prevention and the Tennessee Blue Goose will hold their annual meetings this year June 20-21 at Signal Mountain, Chattanooga, Tenn.

D. E. Larson With Home

David E. Larson has been appointed special agent of the service department of the Home of New York in the western field traveling at least temporarily out of Chicago. He succeeds the late F. A. Roberts of Kansas City. He was formerly with the Phister Insurance Agency at Kansas City and later with P. K. Morrison & Co. at Muncie, Ind. He was at one time connected with the Kentucky Actuarial Bureau and later the Indiana Inspection Bureau.

Children Appreciate Rogers

For the first time in its history the Ohio Fire Prevention Association is receiving from school children letters of appreciation as a result of a town inspection and the appearance of Harry Rogers, the fire clown. Mrs. S. C. Neff, assistant secretary of the association, has received a number of letters from boys and girls at Wooster, telling of the impressions made on them and their intention to do all in their power to prevent fires.

Field Notes

Norman Elkington, attorney, addressed the San Francisco Blue Goose April 23 on "Present Government Trends." L. M. Hale, Pacific Coast manager of the Rosia, presided.

A survey of fire hazards was conducted by the Iowa State Fire Prevention Association at Cherokee, Ia., Clear Lake, Ia., is slated for the next survey about May 15.

F. M. Scott has been named agency superintendent to service the northern California field for the Richards & Rohrer general agency. He was for 11 years in the same territory for the Glens Falls.

Protest Texas Rate Increase

Chamber of Commerce Files Petition Against New Hail and Windstorm Schedule

AUSTIN, TEX., April 25.—The South Texas Chamber of Commerce, San Antonio, has filed suit in the Travis county district court asking an order to set aside the Texas insurance board's authorization for an increase in windstorm and hail rates. Thirty-five south Texas counties are listed in the petition as objecting to the rates on the ground that they are not justified. Rates in some counties are raised as much as 100 percent by the insurance board's order, which became effective March 15, the petition alleges. The requirement that both hail and windstorm insurance be included in all policies is also protested. The petition does not ask for a temporary injunction before a hearing is held.

Reduction in Wisconsin Rates

A 5 to 10 percent reduction in fire rates in Wisconsin on fireproof and fire resistive buildings was announced by Commissioner Mortensen. The reduction has been made, the commissioner says, by increases in coinsurance credits authorized by the Wisconsin department.

Continues Insurance With Agents

As a result of the action of the Madison, Wis., board of education, the stock companies will continue to carry the insurance on city school buildings. The board reversed its previous action on Jan. 15, when it voted to place the insurance in the state insurance fund.

Observations Made on the State of Insurance

NEW YORK, April 25.—At the annual dinner of the Brokers Association of New York, C. T. Hubbard, assistant secretary of the Automobile and Standard Fire of Hartford, presented a talk as the guest speaker, which involved the unusual combination of sound advice, analysis prophecy, constructive selling suggestion, humor, and entertainment. His talk in part follows:

"I am an optimist—a constructive optimist, not a sentimental, or an emotional optimist. My optimism as to our future business in general, including insurance, is not based so much on any schemes being applied to revive business, but rather in a general faith in our country. I feel sure that a nation which has gone through the experiences of ours—that of wresting independence from error, tyranny, slavery,—a nation that has in the past always fought for principle against heavy odds—a nation that has overcome the wilderness—must still have at least a minority group of brains, character and courage, the development of these experiences which can be depended upon to see us through—to keep us off the rocks—to keep us Americans.

Plenty of Leaders Left

"We have in the United States 6 percent of the world's population, and yet produce 40 percent of the goods used in the world. Out of each previous depression, we have emerged stronger and richer. Our business still has enough leaders of character and courage to keep the business from falling into a state of disrepute, which some appear willing to have it, as manifest through their disloyalty to the very principles which have placed insurance where it is.

Should Deery Chiseling Methods

"Insurance cannot be sold by the 'chiseling' method and prosper. If the chiseling practice is carried too far, and the leaders who control our insurance business and to whom we look for guidance,

are unable to curb such growing practices, then it simply means more and more policing, more costly regulation, and if this cannot be accomplished within insurance circles, then it will drift into political hands.

"Insurance cannot be sold successfully from the rate angle alone, though this seems to be more and more the controlling factor. Insurance cannot demand a price beyond what it is worth and like every other article sold for money, must yield the greatest possible service and satisfaction. But the cost of fire insurance has decreased steadily ever since it was invented, and an analysis of its trade profit will prove that we are really business philanthropists. It's been this general business philanthropy, cut-throat methods, chiseling—the attitude of 'I'm going to get mine, let the other fellow worry,' etc., that has produced much of the present nation-wide legislation which we all bitterly resent.

Insurance Needs Salesmanship

"Insurance needs salesmanship, and plenty of it. We need salesmanship and the cooperation of you brokers to sell the value, the importance, the economical service of insurance. This is not a pep talk. You are not being aroused to promote the sale of something in which a financial killing is being made, for just the opposite exists—the business of insurance has not created a trade profit. Insurance can be sold by salesmanship, real genuine, understanding salesmanship, for its value, as it is, to the world—its constructive importance. It's either that or regulation.

"The insurance buyers, through associations, are already voicing their feelings. We need to closely study the buyer's reaction to insurance, and cooperate with him, and persuade him to cooperate with us, for the continued successful development of insurance depends on an eternal triangle, involving three points; the assured, the broker or agent, and the company."

VIEWED FROM NEW YORK

By GEORGE A. WATSON

TO CONSIDER HOME'S RESIGNATION

Members of the special committee of ten of the National Board named some weeks ago to consider the resignation of the Home fleet from the organization at their meeting here this week will hear from the chairmen of each of the standing committees of the body as to its needs and the amount of money required to carry through the next 12 months. When this material has been assembled the committee of ten will formulate its recommendations for submission to the executive committee of the National Board at its meeting later.

SALVAGE COMPANY FINANCES

The 70 or more fire companies which are stockholders in the Underwriters Salvage Company of New York view with dismay the increasing financial troubles of that concern. As has been the case with the Fire Companies Adjustment Bureau, the greatly lessened number of losses has decreased income to an extent making for much worry about the fixed charges of both of these institutions.

The big warehouse building on Broome street is so large that it would take many times the present amount of salvage stored there to fill it up. There is a mortgage on the building which adds interest charges.

While officials are cheerful over the lessened loss ratio there is anxiety over the equipment designed to cope with those losses being too large and too ex-

pensive to deal with present day conditions on any reasonable basis of fixed charges. The loss committee of the New York Board is in the same position with fixed charges in excess of income.

A. G. Martin, president and manager of the salvage company, states that the situation is perplexing. The executive committee is composed of Otto Schaefer, Westchester; C. W. Bailey, American; B. M. Culver, America Fore; C. W. Higley, Hanover; C. A. Nottingham, Liverpool & London & Globe. The company acts as the United States auctioneer for the U. S. district court in the southern district of New York.

BROKERS' BILL DEFEATED

Though passed by the New York senate the bill requiring that all applicants for broker licenses shall have served at least one year's apprenticeship in a company, agency or brokerage office before being certificated, was defeated in the assembly. The bill is one that all broker associations in the state have been urging for years, but without success.

OPINION ON TWO COMPANIES

Though no authoritative statement has been made on the subject, the street is firmly of the opinion that neither of the two companies fined \$10,000 each for reputed violation of the office agency rule of the New York Fire Insurance Exchange will pay the imposed penalty.

Great Excitement on Neal Bassett's Vacation Journey

NEWARK, April 25.—The biggest news in insurance circles for many a day broke this week when it was announced that President Neal Bassett of the Firemen's of Newark organization would shortly leave for Europe on a six weeks' vacation. There was much tumult



NEAL BASSETT

throughout the whole insurance district. This is the first time in the history of the eminent Neal Bassett that he has ever taken a day off for any pleasure jaunt. He works during all the working hours every day. He boasts of the fact that he has never spent a day at home on account of illness, except on one occasion when he had an ulcerated tooth and he was out for just one day. The redoubtable president has kept on the job in season and out since he started in business in Alabama many years ago. Mr. Bassett was at the western department in Chicago this week. The only news that might eclipse the breaking of this lifelong record would be the announcement that Mr. Bassett was to become a benedict. He has conscientiously, consistently and conservatively worn armor that could not be dented by any of Cupid's arrows.

In such event the exchange must deal with the insistence of a powerful company that it too be accorded the right to grant free office space and clerical service to such brokers as it may elect; or that the rule be rescinded and all member companies placed on a basis of equality. The matter is easily one of the most important with which the association has ever been called upon to deal.

VAN SCHAICK TO BE SPEAKER

Superintendent Van Schaick of the New York department will be the main speaker at the annual dinner of the Brooklyn Insurance Brokers Association May 8. H. L. Heistad is chairman of the arrangements committee.

The Suburban New York Association of Local Agents is holding its annual meeting at the Hotel Astor, New York City, April 26.

The St. Paul Fire & Marine's special agent in Iowa, N. P. McGovern, has given 25-year honor certificates to J. E. Remy of Anamosa, Carl Ihm, Guttenburg; Herman Feldman, Midland, and Melvin Royer, Ponda.

Many Subjects Are Listed

American Management Association Announces Program for the Annual Insurance Conference at Atlantic City

The insurance conference of the American Management Association at Atlantic City in the Chalfonte-Haddon Hall, May 14-15, will be in charge of P. D. Betterley, assistant treasurer of the Graton & Knight Co., Worcester, Mass. W. J. Graham, vice-president of the Equitable Life of New York, is president of the organization. On the morning of May 14, the general subject will be "General Phases of Public Liability Insurance." In the afternoon the talk will be on "Specific Liability Risks." On Tuesday morning, the subject of "Workmen's Compensation Insurance" will be up and in the afternoon there will be a round table discussion. The program is as follows:

Monday Morning, May 14

General Phases of Public Liability Insurance, by R. D. Roley, insurance and personnel manager Boston Consolidated Gas Company.

This paper will cover such topics as:

1. The legal phase, necessity for this insurance based on common law of negligence.

2. Is general public liability insurance utilized to the fullest practical extent?
3. Why is this coverage often more important than property loss insurance?
4. What limits of protection should be carried?

5. Should the insured place all liability lines with the same insurance carrier?
6. What particular hazards does the average manufacturer have, coverable under this type of policy?

7. Can any manufacturer operate safely without liability protection?

8. Why is the merchant peculiarly susceptible to public liability claims?

9. Does the existence of insurance make the public claim-minded?

10. To what extent should these claims be protested?

11. How can the merchant successfully combat unjustified claims?

12. Do owners, landlords, and tenants need liability protection, and why?

13. Do these three have a common interest in certain hazards when owning and occupying the same premises?

14. Do bailees, such as garage operators, have a legal liability to insure?

15. Is the liability of general contractors greater than that of other business operators?

16. What is the liability of public carriers and is it relatively serious?

17. What is the obligation of trustees and agents?

18. Do these various representatives face individual liabilities or must their principals assume full responsibility for the acts of their agents?

19. What are the professional liability hazards in the medical and other specialized occupations?

20. If the specialist is employed by others, can he be held individually liable for malpractice, etc.?

Leaders of Discussion: J. H. Nickell, insurance manager Philadelphia Electric Company; W. F. Lund, manager insurance division United States Rubber Company.

Monday Afternoon Session

Specific Liability Risks, by Robert B. Service, Jr., assistant to the controller, Norton Company.

This paper will cover such questions as:

1. Does the operation of elevators expose the owners to special hazards?

2. What is the relative liability of landlords and tenants using elevators in common?

3. Can the owner of an elevator be held liable when he does not operate it or engage others to do so?

4. What are the hazards for the owners of cranes, cable carriers, private switching engines, etc.?

5. To what extent is property damage liability needed for boilers, tanks, and other pressure vessels?

6. What is of more importance for these units, insurance protection or inspection service?

7. Is the public liability insurance for personal injuries needed in connection with pressure vessels when general public liability insurance is carried?

8. What types of machinery and spe-

cial equipment create hazards which should be insured against?

9. Do manufacturers, public utility companies and others who send out mechanics or service men need special liability insurance?

10. What kinds of insurance are needed to cover the operation of automobiles and trucks?

11. What is the contingent liability of automobile and truck owners who use their machines in the service of their employers?

12. What is the contingent liability of the employer and how can it be economically insured?

13. What hazards exist in the operation of teams?

14. How numerous are contractual obligations and what is their nature?

15. To what extent can they be avoided?

16. Can these obligations be insured under common insurance policies or must they be specifically insured?

17. Is liability for infringement of patents a present day hazard to be insured?

18. Can products liability insurance protection be obtained under general public liability policies? Aggregate limits?

Leaders of Discussion: John R. Blades, insurance adviser; J. A. Robinson, department of insurance management, McKesson & Robbins; S. S. Graham, assistant treasurer Union Switch & Signal Company.

Tuesday Morning

Workmen's Compensation Insurance, H. L. Jamison, president Richard L. Roberts, Inc.

This paper will cover such questions as:

1. What are the relative merits of schedule versus experience ratings from the insurance buyer's standpoint?

2. Would the use of an experience rating plan reduce the number of accidents?

3. Would any simplified rate-making formula improve compensation experi-

(CONTINUED ON PAGE 29)

marine in new England recently, although it had been writing ocean marine there since 1856.

Kansas Convention Date Set

WICHITA, April 25.—The annual convention of the Kansas Association of Insurance Agents will be held here Oct. 11-13. As this will be during Fire Prevention Week, the program will stress fire prevention and safety. The Hotel Lassen will be convention headquarters. Sessions will be confined to Oct. 11-12 with golf the last day.

Oldfield Visits U. S.

R. E. Oldfield, assistant general manager of the Royal Exchange, is visiting the United States head office of the company.

National Board Meet May 24

NEW YORK, April 25.—Members of the National Board have been advised that the annual meeting will be held at the Waldorf Astoria, May 24.

At the same time notice is given of an intended amendment to the agreement proposing that minimum charge for membership in the actuarial bureau be increased from \$200 to \$300 per annum.

Hotel Lobby Snapshots at White Sulphur Rally

R. D. Safford, Sr., superintendent of agents of the Travelers Fire, went to Lexington, Va., to visit his son, R. D., Jr., who is a senior in Washington & Lee university. He then went to White Sulphur Springs to attend the Western Underwriters Association meeting and one evening his son joined him.

E. N. O'Beirne of Atlanta, southern manager of the Automobile of Hartford, went to White Sulphur Springs to join Vice-president Alfred Stinson. Mr. O'Beirne is a former president of the S. E. U. A.

F. M. Smalley, president of the Glens Falls, attended the meeting accompanying Vice-president R. S. Buddy.

Benjamin Rush, the president of the North America, who was stopping with his family at Hot Springs, Va., drove over to White Sulphur Wednesday to meet his son, Stockton Rush, superintendent of the marine branch in the western department at Chicago. Mrs. Stockton Rush spent several days at

(CONTINUED ON PAGE 31)

A SOUND INVESTMENT STRUCTURE

Division of AMICO Assets January 1, 1934

	Percent of Total
Cash in Banks.....	11.85
U. S. Government Securities.....	25.75
State, County and Municipal Bonds.....	26.84
Public Utility Bonds.....	6.70
Railroad Bonds.....	2.37
Stocks.....	2.58
First Mortgage Loans on Real Estate.....	8.85
Real Estate.....	1.48
Premiums in Transmission.....	11.12
Other Assets.....	2.46
	100.00

Where Does My Insurance Company Invest Its Funds?

That is a vital question to every thoughtful policyholder. It is a question that is always welcomed by this organization. The entire list of AMICO investments has the endorsement of leading financial authorities as conservative, readily marketable and non-speculative.

Assets of the Company exceed \$4,340,000 and surplus to policyholders exceeds \$1,330,000.

AMERICAN MOTORISTS INSURANCE COMPANY

JAMES S. KEMPER, President

Home Office: Sheridan Road at Lawrence Ave.

CHICAGO, U. S. A.

Largest Illinois Stock Casualty Insurance Company

From Washington to F. D. Roosevelt

J. R. Sutton of Detroit, president of the Policyholders Service & Adjustment Co. of that city, who was formerly a well known field man in his state, traveling in turn for the Imperial of London, Royal, Royal Exchange and Fireman's Fund, has a unique distinction. He is 65 years of age. His father, Robert B. Sutton, was born in 1791, when Washington was serving his first term as president. "Bob" Sutton was born when his father was 76 years of age. His father lived until 1876. Therefore father and son between them have lived through the administration of every president of the United States from George Washington to Franklin D. Roosevelt. John R. Sutton, Jr., is secretary of Johnson & Higgins in Detroit. A grandson, John R., III, is about to celebrate his fourth birthday anniversary. The elder Sutton served in the war of 1812 and was wounded at the Lundy's Lane.

Meet at Saranac Lake

The annual meeting of the Underwriters Association of New York State will be held at Saranac Lake July 9-10.

Carr New England Manager

The Atlantic Mutual has appointed R. E. Carr manager of its inland marine department for New England, with headquarters in Boston. Prior to joining the Atlantic Mutual last February, Mr. Carr was inland marine underwriter for Appleton & Cox. Before that he traveled several years for that office in New York and Connecticut. The Atlantic Mutual started writing inland

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Three Major Issues Today

PREMIUMS on fire lines since the beginning of the year have shown a steady increase, virtually all companies possessing well seasoned agency plants reporting gains anywhere from 2 to 5 percent over the income for the like period of 1933. Furthermore; losses for the first quarter of 1934 were substantially less than those for the first three months of last year. Yet another source of satisfaction is the gain in the market value of securities experienced by virtually all offices. As a general proposition the fire companies retained in their portfolios the stocks and bonds previously held; changing here and there when such course seemed desirable as to any particular class of securities or as to any special issue. But by and large the holdings today are the same as those formerly, and upon these, material aggregate gains have been scored.

Such are the bright spots in the fire underwriting firmament. The other side of the picture presents some serious problems.

The three major issues confronting the business today are: The separation movement in the excepted cities of the east and the west, the resignation of

the Home fleet from membership in the National Board and the \$10,000 fines imposed by a committee of the New York Fire Insurance Exchange upon each of two strong company members. Though the difficulties involved in applying the separation program in cities where local board influence is very strong, is fully appreciated by officials, they are yet determined to carry the program into effect, maintaining that whatever immediate sacrifices may result, in the long run the plan will prove beneficial. Incidentally, it may be well to correct right here an erroneous impression agents in the cities involved seem to hold; viz., that separation will mean automatically a reduction in commissions by the association companies. No such move, it is authoritatively stated, had been suggested; the commission question having no part in the separation agreement. In view of the high importance of the issues involved developments in the insurance field during the next few months, will be followed with intense interest, for upon the outcome will depend in large measure the future well being of not a few companies, both within and without organization ranks.

Creation of Insurance Confidence

SALESMEN in insurance create good will and confidence by sticking to facts and not using high pressure or sales tricks. There are many devious ways in selling. There are what might be called selling gadgets.

The salesman, however, who inspires confidence and good will is the one who can present insurance in its personal relationships to the buyer. Intelligent and straightforward presentation is effective.

Must Possess Greater Vision

PEOPLE in all lines of business who are to carry on for the future must possess far greater vision than those of the past. Mere industry will not bring success unless it is tied up with appre-

ciation of the relationships that one bears to fellows and to other businesses and the duty that he owes to all who are associated with him in his enterprise.

Sense of Humor a Shock Absorber

A MODERN philosopher remarked that the best of all shock absorbers is a sense of humor. When one begins to take his mission and himself very seriously, he generally gets a lopsided view of his mission in life and his capabili-

ties. It pays to be serious but not to regard one's self too seriously.

"It is a fine thing to have ability, but the ability to discover ability in others is the true test."

PERSONAL SIDE OF BUSINESS

F. R. Bigelow, president St. Paul Fire & Marine, is still hobbling about on crutches following his very serious accident while in a hotel at Los Angeles. Mr. Bigelow was taking a bath. In getting out of the tub he slipped and his leg went through a French window, cutting it severely. Before medical attendance could be secured he almost bled to death. He had a narrow escape.

Mrs. Eliza C. McCain, 84 years of age, died at her home in Little Rock. One of her sons is President W. Ross McCain of the Aetna Fire. Another son is C. C. McCain, president of the United Light & Power Co., and another son, Henry C., is located at Little Rock.

Frank S. Rogers of the general agency firm of Rogers & Field, St. Paul, has returned from a trip to the West Indies, being accompanied by his wife, and on his return visited different companies in the east that his firm represents.

Carl C. Price, former Montana field man, died at his home in Buena Park, Cal. The evening before he sent a message of greetings to the Montana Blue Goose banquet at Butte. For 15 years Mr. Price was in the field for the Seibach & Deans general agency of San Francisco covering Montana and adjoining states with headquarters at Billings. About two years ago on account of failing health he retired from active duty, residing at Spokane and later went to the vicinity of Los Angeles. He was born at Laramie, Wyo., and went as a child to Dillon, Mont., where he conducted a local agency.

Mrs. L. G. Parker of Hamilton, N. Y., has announced the marriage of her daughter, Elinor, to James C. Braddock of Evanston, Ill., son of Mr. and Mrs. L. J. Braddock. L. J. Braddock is assistant western manager of the North America. The bride is a granddaughter of the late Rev. W. M. Lawrence, who was former president of Colgate Divinity school. She has been attending Wells college. Mr. Braddock is a junior at Williams college.

L. M. Bauer, 49, Fort Wayne, Ind., local agent, died in a hospital there of heart trouble. He was the son of K. J. Bauer, pioneer Fort Wayne insurance man, and started in insurance work in his father's office. With a brother-in-law he took over the business in 1908 and continued its operation.

F. W. Standart of Denver, head of the Standart, Main & Brewster general agency, and Mrs. Standart will sail May 4 for England and will spend several weeks with friends in London.

The Cashman & Evans general agency of Denver recently celebrated its silver anniversary.

T. H. Anderson, who retired April 1 as Pacific Coast manager of the Liverpool & London & Globe, has established headquarters at 444 California street, San Francisco, in the old L. & L. & G. building and for many years the ad-to the Royal building at 201 Sansome street.

Nine local agents of the Home of New York and four local representatives of its affiliate, the Franklin Fire of Philadelphia, received silver medals in appreciation of their 25 years continuous representation of the respective companies. The Home agents thus remembered are; P. J. Nordberg, Newburg, N. D.; W. B. Turner, Sayre, Okla.; D. G. Crispin, Brockport, N. Y.;

W. A. Scherfe, Fort Madison, Ia.; W. C. Boyer, Dover, Del.; A. J. Norton, Traer, Ia.; C. G. Warden, Washington, D. C.; T. L. Wiper, Sheldon, N. D. and F. S. Callaway, Chipley, Fla.

The honored agents of the Franklin are; W. E. Northey, Salem, Mass.; Verne Towne, Rosalia, Wash.; J. G. Dunscomb, Memphis, and W. A. Pielstick, Hastings, Neb.

George D. Clayton & Sons of Hannibal, Mo., whose agency was established in 1883, celebrated on May 6 of last year its 50th anniversary. It was highly successful and so the two partners, R. M., and George D. Clayton, Jr., will celebrate the 51st anniversary on May 12. This is one of the oldest agencies in the state.

C. M. Smith of Oklahoma City, special agent of the Springfield F. & M., who was formerly an examiner in the western department at Chicago, is bereaved owing to the death of his mother, Mrs. Julia Smith, 68 years of age, who died April 19 at his home. Mrs. Smith until seven years ago was a resident of Chicago. The funeral was held from Our Lady of Sorrows Church in Chicago.

B. A. Charlebois, one of the founders of the British Colonial Fire, died in Montreal. He had served as vice-president, later general manager and at the time of his death general director of the company. Until a few months ago he was also Canadian manager at Montreal of the Rhode Island.

F. B. Fowler, president and manager of the Indiana Lumbermen's Mutual of Indianapolis since its organization in 1897, was honored recently at a banquet given by employees, marking Mr. Fowler's 37th year as head of the company.

S. E. Moisant of Kankakee, Ill., well known local agent, editor of the "Association News," and secretary of the Illinois Association of Insurance Agents, has been appointed a member of the county board of review in his county. Mr. Moisant, being a Democrat, succeeds a Republican, whose term expired.

The Peoria Insurance Agents Association has adopted suitable resolutions on the death of H. R. Horstman of McQuade & Horstman of that city, who died recently. The resolutions speak of him as "a man of kindness of spirit, of generosity to those in need, of rare business judgment, of fairness in his dealings with others, and of unfailing loyalty to his friends."

C. E. Fieldhouse, special agent of the Home of New York group in Kentucky, reports the arrival of a seven-pound son.

C. R. Tuttle, western manager of the North America, is leaving Saturday for a two week's stay in Atlantic City. After spending more than a week in a hospital for observation, Mr. Tuttle learned he was not suffering any serious ailment, but he had been losing weight. He is now building back his strength.

Charles E. Freeman, secretary of Springfield Fire & Marine, has recovered sufficiently from an appendicitis operation to permit spending part of each day at the office.

A. J. Norton, Traer, Ia., has received "long service" gold watch fobs from both the Fidelity-Phenix Fire and Niagara, in recognition of his representation of the companies for 25 years. He also recently received a bronze medal for 25 years' service with the Home of New York.



ASK YOUR CLIENT TO PICTURE
HIMSELF AT THE TIME OF LOSS—

THEN HE WILL REALIZE THAT THE SAVING ON A
CUT-RATE POLICY DOES NOT OFFSET THE SECURITY OF
BEING INSURED IN THE STRONGEST STOCK COMPANIES.

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FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
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ERNEST STURM, Chairman of the Boards
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New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Kansas Association Is Active

Stover and Priest Plan New Tour—Executive Committee Holds Meeting in Wichita

WICHITA, April 25.—The long delayed visit of President Duane T. Stover of the Kansas Association of Insurance Agents and National Councillor Frank T. Priest to southeastern Kansas has now been scheduled for early in May. Local boards at Chanute, Pittsburg and Fort Scott will be visited.

President Stover is kept busy with affairs of the state association. He met with the Newton Association of Insurance Agents April 23, when the activities of the state and National associations were discussed, since the Newton board has not been coextensive. A meeting of the new conference committee of the Kansas association and the Kansas Fire Underwriters Association, of which President Stover is a member, is scheduled for Topeka, April 27.

President Stover is on the speakers committee for the annual meeting of the Kansas association, which will be held in Wichita in October, assisted by Frank T. Priest, Wade Patton and John V. Kelly.

Sixty new members have been added to the rolls of the Kansas association since the annual meeting last October, bringing the membership to 326, according to a report made to the executive committee by Secretary Wade Patton at its meeting in Wichita. Three new local boards have been organized during the same period due to the personal activities of President Duane T. Stover and George T. Fisher of Salina, chairman of the local board committee.

Chairman John V. Kelly of Leavenworth, Past President Rosse Case of Marion, and Secretary Wade Patton of Hutchinson made informal talks at the executive committee meeting. Others present were Past President Holmes Meade of Topeka, Raymond Budge of St. John, J. D. Gilmore of Independence, F. R. Fitzpatrick of Salina, Don Ellis of Kansas City and Earl Hartley of Winfield.

Simons General Adjuster at Kansas City Office

H. P. Simons, staff adjuster of the Kansas City branch of the Western Adjustment, has been appointed general adjuster, with headquarters at Kansas City, Mo. He was born in 1888 at Charter Oak, Ia. Adjuster Simons grew up in the lumber business, working with his father. Later on he served as manager of a combination lumber yard and grain elevator, also was a buyer of live stock in northern Nebraska and South Dakota. In 1908 he entered business for himself, going in the general contracting line, in connection with which he carried on a building material business until 1927. He has also devoted considerable time to special courses in engineering and architectural work.

Mr. Simons joined the ranks of the Western Adjustment in the Des Moines branch on Dec. 15, 1927. In January 1931, he was transferred to the Kansas City office.

Nebraska Agents' Meeting

The annual meeting of the Nebraska Association of Insurance Agents will be held at Kearney, May 17-18. The president is P. W. Downs of Omaha and the secretary is A. B. Dunbar of that city.

Separation Extends to Ohio

W. U. A. Decides to Act in Ordinary Territory as Well as in Cleveland and Cincinnati

The Western Underwriters Association, in voting to enforce separation, intends to apply the clear agency principle in Cleveland and Cincinnati. There had been some question as to the attitude of the W. U. A. in those cities, because of the Ohio anti-compact law, but the companies have now decided to go ahead in that state, no matter what the legal consequences may be. That means that separation will be enforced in the ordinary territory in Ohio as well as in Cleveland and Cincinnati. Heretofore, there has been no organized separation in Ohio. A few companies, however, individually, have refused to be represented in agencies which also represent non-affiliated, bureau or mutual companies.

Requires New Agreements

The Western Underwriters Association action consisted of making the maintenance of clear agencies a condition of qualification for membership in the association. Therefore, new membership agreements must be signed. One theory is that accomplishment of separation in this manner will not constitute a challenge to the Ohio law.

A canvass has been made of the line up in Cincinnati, showing that there are 78 agencies in that city, which are members of the Cincinnati Fire Underwriters Association and 15 agencies which are not members. That makes a total of 93 agencies. Of that number there are 60 agencies which represent exclusively Western Underwriters Association companies. There are 19 mixed agencies, which represent only one bureau or non-affiliated company; seven mixed agencies which represent two bureau or non-affiliated companies and seven agencies which represent more than two bureau or non-affiliated.

Cincinnati agencies have not become very much aroused over the separation movement. No meeting has been called as yet of the Cincinnati Fire Underwriters Association although probably one will be held later this week. The agents are waiting for the companies to take steps before acting themselves.

The Cleveland Board is holding a meeting this week, at which time the question of separation probably will be discussed.

ST. LOUISANS RESENT ACTION

ST. LOUIS, April 25.—A survey of the agency situation shows that of a total of 65 class 1 members of the Fire Underwriters Association of St. Louis, 25 agencies are mixed. Most of the mixed agencies represent only one or two bureau or non-affiliated companies. Among the class 2 and 3 members of the board, about 85 out of a total of 200 are mixed. Of the total membership of about 265, about a dozen agencies have only non-affiliated companies in their offices.

There is considerable resentment here in connection with the separation program. A special committee of the board sent a telegram to the Western Underwriters Association while in session at White Sulphur, protesting the adoption of any resolution regarding separation. The message pointed out that the St. Louis agreement has been in operation since 1925, bringing into the board practically all companies and agents and has worked satisfactorily. Separation, the message declared, would

abrogate this agreement and result in a chaotic condition.

Some of the St. Louis agents are citing a section of the Missouri law, which they feel may be brought into play. The section reads: "No insurance company shall pay a different percentage of commissions to any agent or agents on the condition that they represent or do not represent companies belonging to the same or different association."

HOLC Detroit Branches

DETROIT, April 25.—The Home Owners Loan Corporation has opened eight branch offices throughout the city, replacing the one branch office in the Barlum Tower. Insurance matters affecting properties in this territory will be handled at the branch offices, depending on the location of the property insured. The Barlum Tower office will hereafter serve only the downtown section.

Denies Iowa Rate-Cutting

John A. Buxton of Owatonna, Minn., divisional sales manager of the Federal Hardware & Implement Mutuals, which include the Retail Hardware Mutual Fire of Minneapolis, Hardware Dealers Mutual Fire of Stevens Point, Wis., and Minnesota Implement Mutual Fire of Owatonna, Minn., denies the soft impeachment that this group is cutting rates in Iowa. He said that this fleet adheres strictly to the rates published by the Iowa Insurance Service Bureau.

Mr. Buxton states that the Federal Hardware & Implement Mutuals are not commuting the term premium on any kind of business, much less, preferred risks.

Revamp Lincoln Hail Setup

LINCOLN, NEB., April 25.—The Nebraska department has approved an amendment to the articles of incorporation of the Lincoln Hail, which will be operated hereafter by F. A. Wood and M. Witzenberg as president and secretary-treasurer. The hail company, a solvent concern, was taken over by the department because of disapproval of practices of officers, and Messrs. Wood and Witzenberg have been operating it as department agents. Losses have not yet been paid because of a lawsuit with a bank that refuses to turn over half the collection of premium notes given as collateral to a company loan, although the law says that proportion goes to the loss fund.

Several Fined in St. Louis

Several members of the Fire Underwriters Association of St. Louis, have been fined by the executive committee for failure to register brokers with the association.

Iowa Agents' Meeting Dates

The annual meeting of the Iowa Association of Insurance Agents will probably be held Aug. 30-31 in Council Bluffs, the home city of President Painter Knox. There had been some sentiment in favor of holding the meeting during the week of Aug. 20 while the Blue Goose is meeting in annual session across the river in Omaha. Apparently, however, the Iowa leaders have decided otherwise.

Commissions on Public Lines

SAGINAW, MICH., April 25.—Some complaints are being voiced in company circles to the effect that the Saginaw Association of Insurance Agents is endeavoring to force the companies to pay a specified commission rate on city and county business which is being divided among the 22 members of the association. One special agent said his company pays 20 percent commission on a certain class of business affected but the association insists that the company pay 30 percent to the association mem-

bership. Agents and companies are expected to place the matter before the insurance department. Some of the non-association agencies may join in the controversy, it is believed, in an effort to break up the entire plan of distributing the business.

Insurance Men in Detroit Drive

DETROIT, April 25.—John A. Reynolds president Detroit Life, led the Detroit board of commerce to victory in its drive for funds and new memberships, completed this week. Two of the four "colonels" are insurance men: G. E. Lackey, general agent Massachusetts Mutual Life, and C. H. Murphy, former president of the Detroit board of fire commissioners. Conspicuous among the "captains" were P. B. Bland, president Cadillac Insurance Agency; H. E. VandeWalker, state agent Ohio State Life, and H. K. Schoch, general agent Aetna Life.

Marietta Fire Exaggerated

Newspaper reports of the Marietta, O., fire which occurred about two weeks ago were much exaggerated. Losses were reported to be from \$150,000 to \$1,000,000. The maximum property loss will not exceed \$40,000 and the insurance loss \$35,000. About \$4,000 loss was sustained by a harness factory from water damage from sprinklers which were not turned off for several hours. The cause of the fire has not been determined.

C. F. Thomas in Topeka

Charles F. Thomas, manager of the Western Underwriters Association, is spending the last part of this week in Topeka, consulting field men and agents.

Protests Tornado Rate Increase

A. C. Root, chairman of the executive committee of the Iowa Association of Insurance Agents, has protested to several company officials the increased charge for combined tornado and hail coverage in the state, which was introduced last month. Some years ago the companies made mandatory the inclusion of hail coverage in the tornado policy in Iowa, but made no extra charge for the additional benefit. Mr. Root contends that the companies are playing into the hands of non-stock competitors in making the rate increase at this time.

Mr. Root contends that the Iowa agents have not been properly considered in the tornado rate increase. During the last 10 years, he asserts, the average tornado loss ratio has been only about 25 percent and he feels that an increase on this class which he maintains has been profitable, is unwarranted.

Niles Board 100% Coextensive

The Niles Association of Insurance Agents is now 100 percent coextensive with the Michigan Association of Insurance Agents, being the second city in the state to achieve this distinction, according to George Brown, executive secretary. Muskegon was the first local board to have all of its members on the rolls of the state body.

Seek Kansas Nomination

TOPEKA, KAN., April 25.—There are now two active candidates for the Republican nomination for insurance commissioner in Kansas. The Democrats have not yet found a candidate. H. O. Garvey of Topeka was the first to announce his candidacy for the Republican nomination. He was the state manager for the Massachusetts Mutual for many years and recently retired from that position. Kenneth Lewis, also of Topeka, now assistant adjutant general of the Kansas National Guard, has sent out cards announcing that he is a

LOYALTY GROUP

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. NEAL BASSETT, President HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
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WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board
HENRY M. GRATZ, President
JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President
JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President
JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President
JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board
W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.
H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President
JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President
NEAL BASSETT, Vice President
UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President
JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

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candidate. He is a son of Ike Lewis, who was assistant superintendent and later superintendent of insurance in Kansas 25 years ago. C. F. Hobbs has not announced definitely whether or not he will seek the nomination for a fourth term as commissioner. He has been connected with the department as an examiner and actuary, assistant and commissioner for 30 years. At the time of his election two years ago he indicated that it was unlikely that he would seek the office again.

Would Bar Wood Shingles

DULUTH, April 25.—Because of the large number of chimney fires recently, the board of examiners and appeals for the new building code has recommended that wood shingles be prohibited. The recommendation has been placed before the city council. However, in order to be fair to dealers who have laid in a large stock of wood shingles, it is suggested that the effective date of the proposed amendment be advanced so as to give such dealers an opportunity to dispose of their stocks.

Between Jan. 1 and March 10, the fire department made 53 runs as a result of chimney fires. The board estimates that in the past few years more than half of all fires in the city have been due to wood shingle roofs.

Opposes State Insurance

The Minneapolis "Tribune," in a front page editorial, said that if or when the state of Minnesota enters the insurance business, as has been proposed in the Farmer-Labor platform, there will be no question that the state will operate the venture without profit. The Farmer-Laborites propose the business should be operated without profit.

"The assurance 'without profit' seems hardly necessary," the "Tribune" said. "The history of the state in business, under political management, would hardly lead to the fear that the state would make inordinate profits out of its insurance activities."

"It would, however, be of utmost interest to know if the state is to operate its insurance business 'without loss.'"

State Officers in Joliet

President A. S. Keys of the Illinois Association of Insurance Agents, Rockwood Hosmer and F. M. Chandler of Chicago, and Harry Seaman of the Chicago branch of the Illinois insurance department, attended and spoke at a luncheon of the Joliet, Ill., local board Wednesday. An organization meeting at Mattoon, Ill., for agents in a wide surrounding territory is planned, although it may be postponed until after the mid-year meeting of the Illinois association.

Wichita Insurers Meeting

WICHITA, April 25.—President Howard Snyder presided at the Wichita Insurers meeting, which heard reports from B. S. Chapell on a plan of business reciprocity being developed, from A. E. Smoll of the "in or out" committee and Lee Webb of the company placement committee, who advised that seven parent companies are seeking representation in the board. A plan to combat automobile finance companies writing coverage on financed cars was presented and a report of clean-up-week activities was given by the fire prevention committee.

New Kansas City Adjusters

KANSAS CITY, MO., April 25.—The Associated Adjusters, Inc., has been organized here to handle investigations, claims, and adjustments with offices at 703 Fidelity Bank building. The official personnel consists of Eugene Carbaugh, Jr. and C. R. Kriminger. Together with their staff, they will handle a complete claim service for the companies, including automobile, fire, and casualty lines.

This company, while new in organization, is old in experience, as the per-

sonnel has had extensive local connections for the past number of years and is thoroughly familiar with conditions in the territory. It starts with a splendid volume of business, with representation of a number of the largest companies operating in western Missouri and eastern Kansas.

Organize at Pomeroy, O.

POMEROY, O., April 25.—An organization of insurance agents in the Pomeroy Bend was completed at a meeting here. It will be known as the Pomeroy Bend Insurance Agents Association.

John B. Downing, Middleport, was elected president; Jed Webster, Pomeroy, vice-president; and Vida Ihle, Pomeroy, secretary-treasurer.

McNutt Lauds Department

Governor P. V. McNutt of Indiana, who has been giving radio broadcasts on various state departments, told his listeners Sunday evening of the functions of the insurance department. He spoke in high praise of the efficiency of the department under Commissioner McClain. He warned against buying insurance from companies not licensed in the state and urged the importance of picking sound companies.

School Loss Boosts Kansas Total

Kansas fire losses in March as reported to the department of inspections were the largest of any month for two years, due to the high school fire in Kansas City, which accounted for \$260,000 of the month's total of \$610,264, approximately \$200,000 in excess of February.

Clean-up Week in Kansas

Extensive clean-up week activities were carried on throughout Kansas April 16-21. The department of inspections sent posters and publicity to over 400 towns for use of fire departments and fire prevention committees. Schools, civic clubs and women's organizations took an active part in many towns.

MIDDLE WEST NOTES

The Missouri Fire Prevention Association will inspect Paris May 10.

The Oklahoma Fire Prevention Association will inspect Stillwater Friday.

The Kentucky Fire Prevention Association will inspect Georgetown Friday.

The North Dakota Fire Prevention Association will inspect Langdon May 3.

The Ohio Inspection Bureau has begun rerating Chillicothe and Granville.

The National Board is making a survey of Fort Wayne, Ind.

The Fort Wayne (Ind.) Board is being incorporated.

Claude Allegar, Marion, Ind., local agent, has been elected president of the Marion Municipal Ownership League.

The William Hupp & Sons agency, South Bend, Ind., has been incorporated by Eugene Hupp, William Hupp and R. G. Hupp.

L. J. Butcher has been named state fire marshal for Nebraska, after having served for a time as acting head of the department.

The Williams Agency, 309 W. Washington street, Indianapolis, has been incorporated by C. E. Williams, C. G. Pattison and E. B. Maurice.

L. E. Greenan, head of the Greenan Agency, South Bend, Ind., has been elected for the 26th consecutive year as secretary of the Knife & Fork Club, famous civic dining club of that city.

The Michigan Fire Prevention Association will inspect Ludington May 2. R. E. Vernor, manager fire prevention department, Western Actuarial Bureau at Chicago, will give an address.

F. P. Flynn, 60, chairman of the board of Upham Bros. Company, Des Moines agency, died at his home from a self-inflicted bullet wound. For more than 10 years he had been treasurer of the agency, being elected chairman of the board Jan. 1.

Riley Finnegan, head of the St. Louis Cats Meow, announces appointment of the following committee chairmen: Entertainment, John Kelly; projects and welfare, J. J. O'Toole. At the last meeting prospective kittens to be initiated at the spring initiation were considered.

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PROVIDENCE, RHODE ISLAND

STATEMENT JANUARY 1, 1934

ASSETS	
Stocks and Bonds.....	\$2,420,391.78
Cash in Banks.....	168,117.70
Agents' Balances Outstanding.....	232,417.92
Accrued Interest and other Assets.....	44,902.49
	\$2,865,829.89
LIABILITIES	
Reserve for Unearned Premiums.....	\$ 831,638.17
Losses in Course of Adjustment.....	108,357.00
Reserve for Taxes, Expenses, and all other Liabilities.....	161,006.00
Reserve for Contingencies.....	58,399.00
Capital Stock.....	\$1,000,000.00
Net Surplus beyond all Liabilities..	706,429.72
Surplus to Policy Holders.....	[\$1,706,429.72]
	\$2,865,829.89

NOTE: Contingency Reserve fully adjusts as follows—Bonds eligible are amortized, otherwise valued at actual Market. All Stocks are carried at actual Market Value.

*A strong running mate of the conservative
Rhode Island Insurance Company*

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE CO.

of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1922

ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Each of these Companies writes the following classes of Insurance

FIRE—TORNADO—OCEAN and INLAND MARINE
AND THEIR ALLIED LINES
AUTOMOBILE—FIRE, THEFT and COLLISION

COMBINED POLICIES
AUTOMOBILE—FULL COVERAGE
GOLFERS' EQUIPMENT and LIABILITY
WITH

MARYLAND CASUALTY COMPANY

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE CO.

Richmond, Va.

Capital \$500,000

FIRE TORNADO
SPRINKLER LEAKAGE AUTOMOBILE INSURANCE

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IN THE SOUTHERN STATES

Tennessee Premium Analysis

Stock Fire Companies Write 95 Percent of Total—Loss Ratio Is 61 Percent

NASHVILLE, TENN., April 25.—Tennessee fire premiums totaled \$9,162,391 in 1933 for all classes of companies, with paid losses of \$5,636,705, a ratio of 61.4 percent. Stock fire premiums represented 95 percent of the total, amounting to \$8,676,721 and paid losses \$5,441,391, a ratio of 62.7 percent. Mutuals had a total of \$383,411 in premiums and \$173,347 in paid losses, a 44.8 percent ratio. Reciprocal premiums totaled \$102,259 and losses \$21,967, a 21.2 percent ratio. The experience on the stock companies writing \$100,000 or more in premiums and of the leading mutuals, is given herewith.

	Net Premiums	Losses Incurred
Aetna Fire	\$ 278,353	\$181,785
American	183,811	152,402
Continental	490,265	318,704
Fidelity-Phenix	320,676	198,903
Fire Assn.	134,796	63,484
Fireman's Fund	170,734	81,598
Firemens	226,164	135,944
Franklin	165,797	99,813
General Exch.	132,464	29,895
Great Amer.	169,803	112,579
Hartford	400,391	246,552
Home	603,959	534,206
Ins. Co. No. Amer.	182,037	89,282
L. & L. & G.	143,435	96,153
Nat. Liberty	113,371	56,660
Nat. Union	141,356	103,962
Niagara	162,498	64,838
No. Brit. & Merc.	134,904	53,161
Northwestern F. & M.	110,857	45,751
Queen	101,399	63,229
Royal	173,641	103,107
Springfield	133,583	70,508
St. Paul	131,886	61,015
Travelers	153,440	60,727
Hdw. Deal. M.	33,149	30,631
Lumber. Mut.	26,159	4,715
Minn. Impl.	34,076	28,687
Ret. Hdwe. M.	30,411	27,858

training school, a fire prevention inspection bureau in the fire department, additional minor fire department equipment and elimination of exorbitant water charges for private fire protection systems.

Stamper in Agency Work

FORT WORTH, TEX., April 25.—J. W. Stamper, for the past two years in charge of the state fire insurance commissioner's Fort Worth office, has joined the DuBose, Rutledge & Miller agency as manager of the policy auditing and rating department. He has had eight years' experience in fire insurance work, six in field work for the insurance department.

Discuss Augusta Mutual Rule

AUGUSTA, GA., April 25.—At its first meeting since the passing of the now famous mutual brokerage rule, the Augusta board discussed the many rumors which are being circulated as to the action the Southeastern Underwriters Association may take. The board took no further action on the subject. So far there has been no official cognizance taken by the S. E. U. A.

At this meeting a poll was taken of the membership as to the amount of

Florida President



PAYNE H. MIDYETTE

Payne H. Midyette, the new president of the Florida Association of Local Underwriters, is connected with the Midyette-Moor agency of Tallahassee.

Mr. Midyette moved to Florida in 1922, from North Carolina. He entered the insurance business in Tallahassee in 1923, establishing the Midyette agency, which is now the largest agency between Jacksonville and Pensacola, Fla. The title of the office is now the Midyette-Moor agency, Frank D. Moor being associated. Mr. Midyette knew practically no one in Tallahassee when he started in the business and his success has been due to his knowledge of insurance, energy and capacity for making friends.

Mr. Midyette has been a director of the Florida Local Underwriters Association for six years and has served as chairman of its legislative committee for five years. He has served as president of the Tallahassee chamber of commerce, the Exchange Club and a member of the city commission.

His greatest hobby is hunting and fishing. On his way to the annual convention of the Florida Local Underwriters Association he stopped over a day in West Palm Beach and landed three sail fish, which is an unusual catch for a single day.

No Funds to Make Changes,
Richmond's Mayor Declares

RICHMOND, VA., April 25.—The city is without funds to put into effect any of the recommendations made by engineers of the National Board in a report just made public, Mayor Bright says. Construction of a drill tower for training firemen, purchase of additional equipment and removal of an engine house in a low-grade residential section to the high-class residential section in the west end, which is now poorly protected, were among the recommendations.

The report recommended that owners of defective buildings be required to protect floor and wall openings and windows and that sprinkler systems with outside hose should be installed in all buildings from which flames might spread. The engineers found the city's water supply adequate and the pressure satisfactory, but the arterial system in the congested business district is insufficient.

Improved Conditions at Charlotte

The National Fire Protection Association states that there has been a continued improvement in local conditions in Charlotte, N. C. The night patrol of the business section by firemen to discourage incendiarism has had a continuously good effect as shown by the fact that only 6 percent of the fire loss occurred in that area during the past year.

Needs of Birmingham Shown

Engineers of the National Fire Protection Association visited Birmingham and met with a committee from the chamber of commerce to discuss the local fire situation. It was voted to have a fire prevention committee. The engineers say that the principal needs in Birmingham are a fire department

business "brokered" to the mutuals. It developed that few had availed themselves of the facilities, many expressing the belief that now that the preferred position of the mixed agencies had been destroyed, the competition has slackened up a bit. Others stated that they were able to return to local agency channels non-agency mutual business, of which there is quite a bit in this city.

Great American Men in Texas

A. R. Phillips, vice-president of the Great American, and E. L. Kelley, superintendent of agencies of that company, visited several Texas cities last week. Mr. Kelley was formerly located in Dallas.

Seek Lower Oklahoma City Rates

OKLAHOMA CITY, April 25.—An effort is being made by the Oklahoma City council to secure lower fire insurance rates on residential and industrial property in the portion of the oil field incorporated within the city limits. Report of a committee appointed by this body to study surveys of fire call records for the area since the field was opened reveals that surprisingly few fires have been caused by oil wells during the last four years. The survey reveals that nine oil well fires during the period and 18 other fires were due largely to oil drilling or refining activity. This includes fires resulting from pipeline breaks, boiler explosions, tank conflagrations, drilling operations or refining mishaps. Representatives of the Associated Fire & Casualty Underwriters of Oklahoma City have been invited to confer with the committee.

Florida Agents' Secretary

Pending the employment of a full-time secretary of the Florida Agents Association, it did not fill the office at its recent convention. President Midyette of Tallahassee is discussing the subject with C. P. Grill of West Palm Beach, the holdover secretary. A decision as to a whole-time secretary will be reached in a short time, it is stated. Past President W. P. Fischer of West Palm Beach has been appointed editor and business manager of the association's house organ.

Lumber Interests Study Cover

TALLAHASSEE, FLA., April 25.—Payne H. Midyette, newly elected president of the Florida Local Underwriters Association, has been notified that the owners of lumber yards and mill work plants in the state are making a close study of their fire and casualty coverage at the suggestion of the insurance committee of the Florida Lumber & Millwork Association. This is taken by stock agents to mean that there is to be a general effort to realign this type of coverage, with the fear that it may mean a leaning to non-stock covers, as has been so in the past.

Albers Reelected Chairman

While the fire loss shows a 16 percent decrease, the number of automobile fatalities in Arkansas is increasing to such an extent that some companies have withdrawn. J. Roy Donham, Little Rock, president Arkansas Association of Insurance Agents, told the group 2 regional meeting at Fort Smith. L. R. Martin, Pocahontas, manager, and C. C. Mitchener, Marianna, secretary of the state association, also spoke.

H. K. Albers of Kennedy & Albers, Fort Smith, was reelected group chairman and Eugene Henderson was reelected secretary.

Joint Stag Dinner in Dallas

DALLAS, April 25.—The first annual joint stag dinner was held here by the Dallas Insurance Agents Association, Blue Goose and field men's association. Commissioners R. L. Daniel, R. S.

Mauk and W. S. Pope of Texas attended. D. G. Foreman, secretary of the Texas Association of Insurance Agents, told of plans for its state convention here May 24-25.

Investigate Dallas Solicitors

DALLAS, TEX., April 25.—Commissioners R. S. Mauk, W. S. Pope and R. L. Daniel held a hearing here on complaints that several fire insurance solicitors are not complying fully with state regulations regarding the amount of time to be devoted to insurance work.

South Carolina Tightens Up

Governor Blackwood of South Carolina has signed the bill passed by the legislature forbidding the secretary of state to permit any foreign insurance company to do business within the state without first consulting with the insurance commissioner. Heretofore the secretary of state has been privileged to issue a license to domestic insurance companies without reference to the approval of the commissioner. The act also prohibits collection of premiums when any company has surrendered or lost its charter.

Names Insurance Committee

The San Antonio chamber of commerce has appointed an insurance committee of six members including three fire insurance representatives and three fire.

Rerate Oklahoma Towns

C. T. Ingalls, manager Oklahoma Inspection Bureau, announces that Quapaw has been rerated, with classification changed from ninth to tenth class. Other towns rerated, with no change in classification include Canton, Cordell, Corn, Depew, Fairland, Fort Gibson, Garber, Hennessey, Milo, Orr, Sharon, Stonewall, Tichmingo, Wapanucka, Wardville and Webb City.

Opens New Adjusting Office

L. A. Goodwin, formerly with the Bates Adjustment Company of Dallas and its successor, the Texas Adjustment Company, and more recently with the Fire Companies Adjustment Bureau in San Antonio, has opened an office as an independent adjuster there at 708 Gibbs building.

Southern Notes

E. T. DeJarnette of the DeJarnette & Paul agency, Richmond, Va., and Miss Emily Redd Carter of Ashland, Va., were married last week.

H. H. Newman, formerly with the insurance department of the Southern Finance Corporation, Augusta, Ga., has entered the business on his own account.

W. T. Withers has purchased a third interest in Hart's Insurance Agency, Jackson, Miss., which is owned by Mrs. Saydie F. Hart and H. B. Nelson. Mr. Withers was formerly with the Nelson-Graves Insurance Agency of Jackson.

Eastern States Activities

To Ban Non-Policy-Writers

New Jersey Insurance Department Is Seeking to Clean Up Conditions in That State

The New Jersey insurance department is becoming very militant in its effort to clean up the non-policy-writing agency conditions in its bounds. It has found a number of irregularities and its investigators state there are many violations of the uniform commission law. The agency licenses are renewed May 1. The department holds that when

companies of other states secure licenses for New Jersey agents, they will only be granted where an agent is given a certificate of authority to write policies even though he may not intend to write any. The law does not require New Jersey companies to secure a license for agents. The department holds that a solicitor's license is not sufficient for a non-policy-writing agent. It contends that the non-policy-writing agent is obliged to countersign policies he delivers and that the agent or branch manager must not do it for him.

The department states that compensation to agents can be divided into two parts, one for production and the other for writing of policies, reporting to the company, collecting premiums, etc. To prevent violations, the department contends that compensation for service other than production shall be deducted as a uniform percentage of the premium. The compensation for production is the regular agency commission, less this percentage for service. As the non-policy-writing agent only produces the business, payment to him of the same commission as is paid to the regular recording agent of the same company for producing business does not violate the uniform commission law. The regular agent, however, receives certain

definite compensation for performing other services and a non-policy-writing agent, in the ruling of the department, is not entitled to this additional compensation.

Hold Conference in Boston

Excelsior of Syracuse People Call in Number of Agents to Talk Over Problems

BOSTON, April 25.—Agents of the Excelsior of Syracuse, N. Y., from Massachusetts and Connecticut held a business conference here this week. Analysis of financial statements and the story of its development were made by officers. There was a forum where subjects of interest to the agents were given consideration.

F. R. Knox of Holyoke, Mass., led in the discussion, "What does the average agent spend today for rent, salaries and overhead in the average community for every thousand dollars in commissions written?" D. G. North of New Haven, Conn., led in the forum discussion, "Does agency advertising pay and what kind is the most effective?" C. H. Watkins of Boston led the discussion on "Is stock casualty insurance

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doomed to failure?" W. C. North of Bridgeport, Conn., was the leader in "What are we going to do with our compensation business?" C. K. Steele of Gloucester, Mass., spoke on "Is there a perfect collection system?"

At the close of the business meeting, there was a banquet. Special Agent A. H. Stafford in charge of New England gave a demonstration of magic. The conference was under the direction of President F. V. Bruns, Executive Committee Chairman F. W. Barker, Jr., and Vice-president R. C. Hosmer.

Chelsea Conditions Improved

Arson Situation in the Massachusetts City Now Shows Much Better Outlook

The National Fire Protection Association states that through the activities of the chamber of commerce and co-operation of the Chelsea, Mass., fire department and the local agents the arson situation in that city appears to be under control. Losses last year were nearly \$200,000 less than the preceding year, which makes its per capita loss the lowest in years. The number of fires has been reduced. A better investigation of fires is an important contributing factor. Last year there were 19 fires reported with cause unknown as against 72 the previous year.

Connecticut Agents Select Greenwich for Convention

NEW BRITAIN, CONN., April 25.—The executive board of the Connecticut Association of Insurance Agents at a meeting here voted to hold the annual convention at Greenwich the first week in June. It will be the first convention ever held in Greenwich in the association's half-century of existence. L. F. Whelan, Greenwich, who is vice-president of the state association and president of the Greenwich Insurance Board, is chairman of the convention committee. Other members are Harold Hatch, New Britain, state president; Walter North, Bridgeport, national councillor, and Arthur Bradshaw, Bridgeport, secretary-treasurer. The exact date and place of the convention will be announced later.

New Jersey Bill Expiring

NEWARK, April 25.—The bill passed by the senate which would make the resident agency act null and void is still in the assembly but has little chance of passing.

Waterbury Veteran Dies

S. W. Chapman, 80, Waterbury, Conn., local agent and secretary-treasurer of the Waterbury Fire Underwriters Association, died at his home there. He was prominent in civic affairs and was active in business despite his advanced age.

Rule Out Underwriters Agencies

BOSTON, April 25.—The executive committee of the Boston Board has adopted an amendment abolishing underwriters agencies in Boston proper which it will submit to its members at a meeting May 8. The amendment provides that no member of the board shall represent a company which maintains more than one agency and permits

an agent other than its principal Boston agent to issue policies in Boston proper or Boston wharf and warehouse district. The by-law provides for termination of appointments which are not in accord with the rules not later than July 1, although this period may be extended six months if considered expedient.

Held for Unlicensed Sales

NEW BRITAIN, CONN., April 25.—William Hoffman, of Newington, Conn., has been arrested here for selling insurance without a license. The company which he claimed to represent is not licensed in Connecticut. Police say Hoffman has been arrested 13 times on various charges, including use of the mails to defraud, obtaining money under false pretenses and forgery, as well as a previous charge of selling insurance without a license in 1924.

A gold medal was presented to S. S. Miller, City Island, N. Y., in appreciation of his services to the North America since Feb. 11, 1909.

News of Pacific Coast States

Montana Leaders Are Shown

Companies Reporting \$15,000 Premiums or More in the State for Last Year Listed

The Montana net fire premiums last year were \$1,986,927 as compared with \$2,350,287 the year before. The losses incurred of stock companies were \$855,881 as compared with \$1,528,760 during 1932. The premiums of the mutuals excluding county and rural institutions were \$199,504, increase \$5,143 or 2.6 percent. The loss ratio for stock companies last year was 43 percent and 65 percent in 1932. The mutuals had a 20.2 percent loss ratio in 1933 and 198.4 percent in 1932. The companies receiving over \$15,000 in premiums last year are as follows:

Companies	Premiums	Losses	Loss Ratio	
			1932	1933
Aetna	\$ 52,525	\$ 27,463	60.5	52.3
Agricultural ..	48,477	11,496	32.3	23.7
American	43,475	10,959	49.6	25.2
Continental ..	80,225	32,775	38.5	40.9
Fidel, Phenix ..	43,128	30,890	86.2	71.6
Fire Assn.	24,759	10,199	68.4	41.2
Fireman's Fd. ..	69,957	27,912	61.1	39.9
Firemen's ...	32,635	9,204	77.7	28.2
Franklin	25,213	639	62.7	2.5
Hanover	26,918	4,230	41.6	15.7
Hartford	85,185	43,319	53.2	50.9
Home F. & M. ...	20,945	4,465	52.9	21.2
Home, N. Y. ...	127,213	70,212	56.4	55.2
Ins. Co. N. A. ...	55,666	43,979	83.4	79.0
L. & L. & G. ...	37,911	26,605	53.1	69.9
Merch., N. Y. ...	29,883	4,395	189.0	14.7
Milw. Mech. ...	15,310	4,280	77.2	28.0
Natl. Conn.	33,490	18,181	36.4	54.3
N. Y. Und.	23,110	5,720	36.6	37.7
Niagara	24,729	5,115	55.5	20.7
N. Brit. & M. ...	21,770	6,667	26.2	30.6
Northn., Eng. ...	17,503	7,693	78.5	44.0
Pacific	16,271	3,557	37.2	21.8
Pearl	17,939	2,158	...	12.0
Phila. F. & M. ...	21,290	9,246	75.5	43.4
Phoenix, Conn. ...	47,548	14,166	32.7	29.8
Queen	26,366	18,939	49.7	71.8
Rocky Mt.	37,461	17,263	28.0	46.1
Royal	37,126	26,611	50.4	71.7
Sprgld. F. & M. ...	54,756	22,503	81.7	41.1
St. Paul F. & M. ...	43,923	16,524	46.7	37.6
Travelers ...	37,810	21,832	24.7	57.7
United States ...	29,132	15,346	40.3	52.7
Westchester ...	25,764	5,453	70.8	21.2

Mutual Companies

Companies	Premiums	Losses	Loss Ratio	
			1932	1933
Hard. D. Wla. ...	20,613	1,323	147.7	6.4
Mich. Millers. ...	20,903	5,125	83.8	24.5
Minn. Impl.	20,304	4,001	121.3	19.7
N. W. Mut.	45,360	4,584	189.3	10.1
Ret. Hardw. ...	...	...	...	...
Minn.	18,682	5,633	125.6	30.2

California Regional Meetings

SAN FRANCISCO, April 25.—Plans are now being made by officials of the California Association of Insurance Agents for a series of regional meetings throughout the state late in August and early in September, just prior to the annual convention of the association in Sacramento in October. In former

years this series of regional meetings has been held in May and June, but it is felt that more good can be accomplished by holding them just prior to the annual convention, according to Frank Colridge, executive secretary.

HOLC Renewals Discussed

LOS ANGELES, April 25.—At the April meeting of the Insurance Exchange of Los Angeles, the handling of renewals in cases where the Home Owners Loan Corporation is involved was discussed.

San Francisco Manager Named

J. H. Russell has been appointed San Francisco metropolitan manager for the Columbian-National Underwriters, the Monarch Fire, St. Louis Fire & Marine, Iowa National, Trinity Universal of Dallas. These companies are represented in the general agency of R. H. Jenkins of Los Angeles. Mr. Russell was formerly special agent of the National Surety in New York and also traveled in the middle west for various casualty companies.

Insurance Women's Speakers

SAN FRANCISCO, April 25.—A paper on "Self-Insurance Is Self Delusion" was given before the San Francisco Insurance Women's League by Miss Gene E. Theraul of the brokerage firm of K. C. Hamilton & Co., president of the league.

W. A. Newman, assistant secretary Pacific Board, spoke on the functions of his organization.

Fire Fund Bill Doomed

DENVER, April 25.—The proposed state fire insurance fund in New Mexico has but a slim chance of becoming law, according to reports here.

Another New Mexico bill would make it illegal for an adjuster to handle a claim, or the assured to accept a settlement, if the insurance company were not admitted to the state. Frederic Williams, secretary of the Rocky Mountain Fire Underwriters Association, has returned from the New Mexico capital.

Wickler Arizona Chairman

SAN FRANCISCO, April 25.—J. C. Wickler, assistant manager Phoenix of Hartford and Great American, has been reelected chairman of the Arizona advisory committee with C. V. McCarthy, America Fore, vice-chairman. Both have served in those capacities for several years.

California Fire Premiums

Total fire premiums of stock, mutuals and reciprocals in California last year amounted to \$29,241,521 as compared with \$32,244,300 for 1932. In addition, the county mutuals wrote \$533,739 last year as compared with \$524,384 the year before. The board companies wrote \$23,768,358 or 81.3 percent of the total; non-board companies \$4,061,468 or 13.8 percent of the total.

and mutuals and reciprocals \$1,411,695 or 4.9 percent of the total.

McKinley Tacoma Speaker

TACOMA, WASH., April 25.—Speaking before the Tacoma Blanket Club, D. A. McKinley, special agent for the Royal group, Seattle, declared that "in no other business can the young man of average education find greater opportunity than in insurance." He lauded the activities of the Blanket Club and told of his early years in insurance work.

Other speakers were John Hall, president Pierce County Agents Association, and John Prins, manager Metropolitan Life.

Broker Pleads for Animals

B. F. Brisac, well known San Francisco broker, is president of the Society for the Prevention of Cruelty to Animals, and was a featured speaker over various radio stations the past week in observance of "Be Kind to Animals" week. He is one of the veteran brokers of San Francisco and one of the founders of the San Francisco Insurance Brokers Exchange, and has been active in affairs of the society for more than 20 years.

Get Central Union in Oregon

Gilbert & O'Donnell of Portland have been named general agents for Oregon of the Central Union of the Scottish Union group.

The Deposit Insurance Agency of Portland has been appointed general agent in Oregon for the Merchants Fire of New York. It is also general agent for the Canadian Fire and Canadian Indemnity. C. F. Milliman is manager.

Lum F. U. A. P. Speaker

C. H. Lum, in charge of the Pacific Coast branch of the National Board, will address the associate members of the Fire Underwriters Association of the Pacific May 1 on the activities and functions of that organization.

Patriotic's Mountain Appointment

The Mountain States Agency Company of Denver has been appointed general agent of the Patriotic for the mountain territory.

Takes Glens Falls Companies

The Armstrong General Agency of Seattle has been appointed general agent in Washington for the Commerce and Glens Falls Indemnity.

Pacific Coast News Notes

A. G. Morris, local agent of Alamosa, Colo., died recently.

Homer Loucks, Sheridan, Wyo., former postmaster, has established a local agency there.

W. L. Miller has been made manager of the fire department of the E. D. Williams & Co. agency at Los Angeles, recently appointed general agents for southern California of the Eagle Fire. Mr. Miller was formerly with the California Standard Insurance Agency.

MOTOR INSURANCE NEWS

Makes Drive for Collision

London Assurance Is Conducting Campaign to Inspire Producers to Solicit Neglected Line

The London Assurance has started a campaign in behalf of increased sale of automobile collision. Walter Meiss, manager of the automobile department, is in charge. He points out that more money is available, more cars are being sold and that the agents who go out for the business will be the ones to get it.

Mr. Meiss suggests sending good letters in advance of calls. He suggests that the agent use newspaper advertising. Mr. Meiss recommends \$50 deduct-

ible coverage in combination with automobile glass insurance, which costs only \$3 for open cars and \$5 for closed. Almost all accidents, he points out, involve glass breakage.

Mr. Meiss argues there is no reason why collision insurance should be hard to sell. The idea that a careful driver always collects from the other fellow for damages to his own car is silly when it is realized that less than 25 percent of the motorists carry property damage insurance. In addition, in many accidents there is not a collision with another car.

Pressure to Cut Rates

The companies are being subjected to considerable pressure by State's Attorney Courtney of Cook county and the

Monarch Fire Insurance Co.

Writes a complete line of coverages
including Automobile and
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The Oldest Scottish Insurance Office

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U. S. Manager and President

THE NETHERLANDS INSURANCE COMPANY OF THE HAGUE, HOLLAND

Est. 1845

ROBERT R. CLARK, U. S. Manager
EXECUTIVE OFFICES: HARTFORD, CONN.



**NATIONAL UNION
FIRE INSURANCE
COMPANY**
Pittsburgh, Pa.

To give real service you must add something which cannot be bought or measured with money, and that is sincerity and integrity.

—Donald A. Adams

**A
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Agency
Company**

Chicago newspapers to reduce automobile fire and theft rates in the city. Three non-affiliated organizations have cut their rates and received much favorable publicity. The companies that reduced their rates were the Chicago Motor Club, Freeport Motor Casualty and Chicago Lloyds. The organization companies feel that the improvement in the theft situation is so recent that a reduction in rates is not yet justified. However, for political reasons, the companies may decide to make a reduction when the new manuals come out next month.

Recently State's Attorney Courtney demanded of the companies that they send to his office all automobile theft loss reports in Chicago. Those companies, which report their losses through the Cook County Loss Adjustment Bureau, replied to Mr. Courtney that the bureau would cooperate with him and that its records were always open to him.

Hit Motor Club Plans

The Springfield, Ill., board is up in arms against the recently initiated scheme of the Springfield Automobile Club to sell automobile insurance to members. A meeting of the board has been called for May 17 to cement the opposition and adopt formal protest. Earl Bice, secretary of the Springfield Automobile Club, has been appointed agent for the Consolidated Underwriters of Kansas City. William Booth, president of the Springfield board, contends that the automobile club has no more right to sell insurance in competition with private interests than to sell groceries in competition against grocers.

MARINE NEWS

Ice Blockade Defers Traffic

**Lake Marine Season Opened April 15,
But Few Vessels Put in
Operation as Yet**

Although marine insurance on Great Lakes boats became effective April 15, ice conditions preclude any possibility of interlake navigation for two or three weeks, according to marine underwriters. Signs of activity are seen in preparing 30 lake vessels that wintered in Milwaukee for opening of navigation. Steam is up on some vessels moored there and inspections are being made by federal men.

Several boats are ready to clear for lower lake ports as soon as word is received that the Straits of Mackinac are clear, which is not expected before this week at the earliest. No activity on Lake Superior is anticipated before May 1. All the southern section of Lake Michigan is open and free of ice. The automobile boats, for the last several years the first through the straits, are not expected to attempt the ice blockade until almost May 1.

Loss in Boat Storehouses

DETROIT, April 25.—One of the largest marine losses in the Detroit area in a long time occurred when two boat storehouses owned by the Liggett Boat Company in Riverview, containing six cabin cruisers and five other boats, were completely destroyed by fire with a loss estimated at \$150,000 partially covered by insurance.

Illinois Fur Situation

Much interest is taken by marine people and agents in the regulations as to furrier's customer's policies in Illinois. Recently Insurance Director Palmer of that state modified his previous ruling, so as to permit furriers to issue policies, covering garments while outside the furrier's custody, under certain circumstances. As a result the Inland Marine Underwriters Association au-

thorized the so-called Iowa form for use in Illinois, but notified members that the Iowa form might be changed to conform more closely with the Illinois situation. In the meantime, the Illinois department has been giving consideration to another form. As a consequence, there is no form that has been approved in Illinois.

Whitney to Home Office

D. H. Whitney, marine special agent with Field & Cowles, New England marine managers of the North America, has been recalled to the head office at Philadelphia and will be succeeded in New England by J. S. Downey, formerly with the company in Philadelphia.

Illinois Figures Are Given

Premiums of Companies Between \$50,000 and \$150,000 Income Last Year in the State

In a recent issue of THE NATIONAL UNDERWRITER the Illinois premiums of companies writing \$150,000 or over were given. The following are companies writing less amounts or between \$50,000 and \$150,000:

	Premiums	Losses
Illinois Fire	\$ 84,454	\$ 39,607
Albany	51,455	27,054
Allemania	55,063	26,661
American & Foreign	56,538	26,907
American Reserve	96,757	66,709
American Union	68,247	18,064
Baltimore Amer.	93,428	54,446
Bankers & Shippers	148,928	77,613
Buffalo	148,626	49,722
Citizens, N. Y.	77,402	53,797
City of N. Y.	75,677	37,214
Columbia, O.	63,759	19,295
Comel. Union, N. Y.	66,006	32,189
Concordia	114,493	53,212
Detroit F. & M.	65,523	28,716
Employers	87,268	39,144
Eureka-Security	75,069	25,079
First American	88,766	49,522
Franklin Nat.	63,817	26,406
Globe & Republic	114,388	74,388
Home F. & M.	111,821	37,349
Imperial	52,936	26,132
State, Pa.	112,486	97,101
International	71,207	81,927
Inter-Ocean Reins.	77,325	22,489
Knickerbocker	73,917	105,278
Lincoln Fire	50,932	82,690
Lumbermen's	61,587	41,829
Manhattan F. & M.	91,544	39,670
Maryland	52,981	31,022
Mercantile	124,832	82,481
Merchants & Mfrs.	65,491	39,854
Merchants, R. I.	75,541	36,093
Mercury	64,182	41,486
Michigan F. & M.	98,846	42,334
Natl. Ben Franklin	121,893	48,966
National Security	88,697	35,086
Newark Fire	144,510	57,837
New Brunswick	95,350	26,412
New Jersey	69,485	65,505
New York Fire	96,852	47,377
North Star	61,256	40,997
Old Colony	56,974	29,210
Pilot Reins.	53,176	32,458
Reliance	90,465	44,728
Richmond	51,869	26,224
Rhode Island	113,727	54,140
Rochester Amer.	81,607	35,007
Rossia	79,364	52,112
Security, Ia.	143,128	52,186
Standard, N. J.	141,799	47,439
Star	85,204	34,149
Sun Underwriters	74,880	44,077
United Firemen's	56,717	27,998
Universal	101,239	91,487
Western, Kan.	53,808	33,350
World F. & M.	88,245	33,457
Christian Gen.	86,874	50,150
Eagle Star	107,589	57,432
General	66,086	37,132
Law Union & Rock.	139,612	56,013
Marine	68,574	46,478
Netherlands	54,155	37,985
Norwich Union	148,972	72,230
Skandia	69,782	40,564
Skandinavla	67,882	46,666
Union & Phenix	71,123	32,701
Union Fire	61,670	33,491
Western, Can.	56,198	32,135
Yorkshire	89,701	34,299
Mill Owners M., Ill.	54,655	5,665
Protection Mut., Ill.	81,983	8,498
Arkwright Mut.	92,793	8,118
Boston Mfrs. Mut.	132,658	15,106
Blackstone Mut.	72,601	11,195
Central Mfrs. Mut.	130,617	38,089
Firemen's Mut.	146,935	19,145
Grain Dealers Nat.	93,904	41,764
Hardware Deal. Mut.	150,190	34,048
Ind. Lumbermen's	71,361	31,445
Lumberm. Mut., O.	54,883	24,185
Mfrs. Mut., R. I.	69,722	12,783
Michigan Millers	88,249	33,592
Minn. Implemt. Mut.	137,930	38,532
Mill Owners M., Ia.	55,087	18,933
Northwestern Mut.	53,218	21,022
Ret. Hard. M., Minn.	131,366	32,442
Rhode Island Mut.	69,722	12,783
State Mut., F. R. I.	83,667	15,340
United Mut., Mass.	105,938	38,850

The Harold Sheppard agency, Wichita, Kan., has been purchased by H. A. Stutsman.

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Agency Clearance in Large Centers

(CONTINUED FROM PAGE 3)

lowing perquisites that the regular companies do not.

In addition it was stated that some of these companies seeking large premium risks, general floater policies, etc., urge large city agents to canvass the outside territory and capture such desirable lines as they can. There may be no rate cutting but there can be rate readjustment on scattered or large properties that would be attractive, it was contended. The subject of mutual competition is becoming more and more acute and, in fact, has loomed up as a major factor in the business. The organization companies declare that the expense ratios must be reduced and unless the agents are willing to appreciate the dangers ahead for the agency system there may be breakers that will engulf them. Undoubtedly, therefore, managers and executives will impress on the agents the necessity of taking a look forward, going at the readjustment in a sincere way and endeavor to reduce the cost of operation in the cities. It is contended that the agents are handicapped by a multitude of hangers on who should not get any commission nor be in the business. The agents in the long run, the executives say, would be much better off if commissions were reduced and the number of people in insurance be materially cut down.

Will Pursue Orderly Course

The Western Underwriters Association undoubtedly will go at the subject in an orderly way. Conditions in the excepted cities have developed since the agency system was established. There has never been any separation in their midst. Agencies therefore have their roots deeply in the subsoil. Many have company relationships extending over many years. The readjustment will entail sacrifice and embarrassment but the W. U. A. feels that the time has come for action. Some companies will be called upon to take a very heavy loss at first because they will not be able to secure representation of equal value to that in offices in which they are now located.

Peculiar Condition in Chicago

In Chicago one of the complexities will be the so-called class 2 or outside agencies in Cook county. These are representing companies of all kinds. In most cases they are real estate and loan people and the character of companies does not count so much with them. It is a highly competitive field. There are some companies that have built a large Cook county class 2 organization. Just what the effect of the clearance movement will be in this territory remains to be seen. Some of the class 1 agents that are clear themselves have supervision over these outside offices. If some of the non-affiliated companies establish branch offices or make a bid for

class 2 agents and brokers and disregard the Chicago Board rules there will be injected into the situation a highly disturbing factor.

There was one question that engendered considerable discussion and that was the application of the Liberty of Louisville and the new Southern American of Memphis for membership. These are purely local companies and it was charged they are organized by local agents in order to get a higher commission than they could in the regular way. A rule was passed making it impossible for such companies to be admitted to membership. The plan is with these local companies to have all their business reinsured in some other company. They are really feeders for a company. The question now arises as to what position the Liberty and Southern American are in inasmuch as their applications were received before this new rule was passed. However, no action was taken by the membership committee and the general impression is that they will not be admitted.

The qualification for membership in the W. U. A. is changed by requiring every member to have clear agencies. In other words, no company can join the Western Underwriters Association unless it pledges itself to the clear agency program. The provision of the membership rule in this respect as passed at White Sulphur Springs was: "No officer, general agent or manager of a fire insurance company shall be eligible for election to membership in this association when the formation and/or the practical operation of such company serves to evade or defeat the commission rules of this association applicable to local agency business." The articles of agreement are amended to this end to the effect that the organization shall have full power to require that no member shall enter or remain in an agency where such office represents non-members.

Resolution on Automobile Business

In relation to automobile business, the resolution passed was, "That the governing committee be and hereby is authorized to take supervision of the operation of the members of the Western Underwriters Association on automobile business when satisfactory arrangements are completed with the National Automobile Underwriters Association. This action does not contemplate a separate automobile association nor additional expense."

Following the report of Chairman C. R. Street of the committee on cooperation in loss adjustment practices, the following resolution was adopted:

Report on Loss Adjustments

"Resolved, That the governing committee, in connection with the committee on cooperation in loss adjustment practices, be and is hereby instructed to carefully survey conditions prevailing at Memphis and Nashville, with reference to loss adjustments and the improper use thereof.

"Resolved, That the governing com-

mittee is hereby authorized and directed, on the completion of such a survey, to name a date on which each and every member of this organization will be required to instruct his representatives in one or the other or both of the above named cities to refer all loss claims, irrespective of size, to the local office of the Fire Companies Adjustment Bureau, excepting only losses on which the company or companies are represented by their own salaried adjuster or by adjusters sent by them from elsewhere."

The consensus of opinion is that the W. U. A. has so strengthened its agency clearance platform that members will be obliged to stand squarely on it, both in the outside field and in the excepted cities. The excepted cities include the county in which the main city is located. For instance, Chicago includes all of Cook county. Cincinnati includes Hamilton county, O., and Kenton and Campbell counties, Kentucky. Cleveland includes all of Cuyahoga county. Louisville includes all of Jefferson county. Milwaukee includes all of Milwaukee county and St. Louis, St. Louis county.

The question has arisen as to whether automobile specialty companies or other companies writing automobile but not the regular fire lines will be affected by the agency clearance rule. There is no specific legislation on the subject in the resolution but this point will undoubtedly be adjudicated by the governing committee.

The governing committee is to decide on the time of putting the agency clearance mandatory rule in effect in the excepted cities. The new committee will probably hold its first meeting next Tuesday. There is difference of opinion as to what effective date should be made.

Separation Issue Center of Interest

(CONTINUED FROM PAGE 3)

the fact that four of the companies, which have their home offices here, are not members of the Eastern Underwriters Association. A fifth company, the National Capital, just recently joined the E. U. A. The non-E. U. A. companies are the American Fire, Corcoran, Firemen's and National Union. Most of these companies operate locally on a modest scale. They are well represented in the District and practically all of the important agencies here have at least one of the local companies in their offices.

Executives of the local companies have been holding meetings and they are up in arms against separation. They feel that they have the support of the agents here. Executives of the Eastern Underwriters Association have been given to understand that it would be unwise to take drastic action in the nation's capital. The local, non-E. U. A. companies point, with considerable emphasis, to the provision of the District of Columbia Board of Underwriters,

which forbids discrimination against any company because of its affiliation.

NOT WORRIED IN BALTIMORE

The Baltimore situation, in view of the separation issue, is interesting, inasmuch as recently one of the important non-board agencies and several companies, which operate non-affiliated elsewhere, have joined the Baltimore board.

The R. D. Tweeddale Company was the agency which joined the board. The Pearl, General of Seattle and Eureka Security recently became members of the board. The only prominent non-organization companies which have not joined the Baltimore board are the Republic of Dallas and the Dubuque Fire & Marine.

Recently one of the most important agencies of Baltimore took on a large non-affiliated company. The non-affiliated companies feel that they are not likely to suffer serious losses in Baltimore.

ATTITUDE OF FREE LANCERS

NEW YORK, April 25.—Officers of non-affiliated companies are following developments in the field very closely, ready to take advantage of whatever opportunities for making desirable agency connections in the excepted cities may be offered. Although there has been no general meeting of the free lance company men since the preliminary luncheon a month ago, a letter has been issued stating a further conference will likely be called, when the time seems opportune.

Local agents fear that one outcome may be the creation of a number of additional business producing branch offices at different centers.

Policyholder Wins the Case

Charged With Arson and Acquitted,
He Won His Suit Against
the Universal

DETROIT, April 25.—An interesting case was decided here this week where the claimant for insurance was charged with arson and was acquitted.

Louis Achtman had an explosion and fire in his home and made a claim against the Universal under a \$3,000 policy it had issued on his household goods. The place was found saturated with gasoline and Achtman was arrested and tried on a charge of arson and was acquitted June 3, 1932. An action was thereafter commenced by him against the Universal, the case being on trial this week. The company defended, charging arson and false swearing in the proofs of loss and also in an examination under oath. The plaintiff and his family all had alibis. They were visiting a relative, they said, at a point a mile and a half away from the scene of the fire, and the explosion which preceded it. The jury brought in a verdict of no caus of action, after considering the case for less than two hours.

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TREMONT AND SCHOOL STREETS

BOSTON

Steckler Reelected by General Agents

(CONTINUED FROM PAGE 5)

the individual advertising, the cost to be borne by the association.

In recommending that an annual compilation of the membership be made, including the territory covered and companies represented, Mr. Steckler said that he has had a number of requests from companies for such information and that it had not been readily available. He also suggested that a committee study the feasibility of the joint compilation of a loose leaf manual in which various forms of insurance coverages could be kept up to date, the cost to be borne by members in accordance with the number of manuals ordered. He also recommended adjustment of finances and an increase in annual dues, which was adopted, the annual fee being raised from \$10 to \$25.

The greetings of the National Association of Insurance Agents were brought by W. O. Wilson, Richmond, Va., executive committeeman. He praised the accomplishments of the general agents association and complimented its cooperation with the local agents' group. He emphasized the interdependence of each group.

Tells of NRA Activities

The activities of the National Association of Insurance Agents concerning the proposed NRA code were related by Mr. Wilson. "It seems to me," he declared, "that the clear cut statement adopted at Louisville, constituting affirmation of the agents' position in respect to harmful and destructive practices, should remove entirely from the minds of all fair thinking executives any thought of interference on our part in company prerogatives. The atmosphere has been filled with misleading statements which have tended to distort and becloud the real issues and the real purposes lying behind this entire matter. We have no thought or desire of bringing into our business anything that will be harmful. On the contrary, we desire to take out of it those things which experience teaches us are gradually sapping the life blood of the agent and company as well. Even the most dyed in the wool opponent of the producers' code will admit the existence of abuses and unfair competitive practices. We do not appear to be in disagreement on this point. Our difficulty is only reached when we attempt to prescribe a practical way of cleaning it up."

Reviews Major Difficulties

The major practices which are causing the greatest interference were reviewed by Mr. Wilson. "Isn't it a fact," he asked, "that many companies are either actively or passively participating in the practice of writing insurance contracts at premium rates and on a basis differing from those which they are obliged to observe both legally and morally?" The practice is harmful to other companies, he declared, penalizing the agent as well as the assured.

In discussing the surplus of agents in comparison with other professions, Mr. Wilson said that the mere existence of this horde of agents so intensifies the competition as to make abuses and sharp practice inevitable consequences. "Are we justified in continuing to endanger our business by condoning such ruinous competitive practice?"

Wants to Be on Same Basis

There is no particular harm in the operation of branch offices if properly conducted, said Mr. Wilson, but "we do not consider it proper when branch offices are allowed to increase acquisition cost over the agents. If they are made to conform their cost to a parity with local or general agents, we are prepared to meet them in a competitive way. We specifically do not ask for the edge—we desire only equal footing." Mr. Wilson said he believed branch offices

Welcomes General Agents at New Orleans Meeting



JOHN X. WEGMANN

John X. Wegmann, president of the Lafayette Fire of New Orleans and head of the New Orleans association of commerce, was one of the welcomers at the annual meeting of the American Association of Insurance General Agents in his city.

should operate in conformity to local board rules. In conclusion Mr. Wilson said he feels the best way to approach the solution of these problems is through a code.

Caustic reference to the non-insurance members of the Louisiana insurance commission, was made by J. X. Wegmann, president of the Lafayette Fire and head of the New Orleans association of commerce. He said the law said members should be skilled in insurance. He told of the formation of the New Orleans Insurance Exchange to correct evils. He asked for elimination of dummies in the insurance business and said the depression had done much to wipe out the irritating bank agencies.

Rorick Cravens Talks

The status of general agents was discussed by Rorick Cravens of Cravens, Dargan & Co., Houston. Louis Phillips, editor of the "American Insurer," New Orleans, welcomed the visitors and told them of his work in organizing the association nine years ago, commenting on the first gathering at Signal Mountain, Tenn. Gilbert Leigh of the L. B. Leigh Company, Little Rock, responded in witty fashion. G. E. Edmondson, secretary-treasurer, reported a membership of 77.

Wilbur Gives Talk

H. C. Wilbur, Western Underwriters Association, Chicago, pointed out the important part stock fire insurance has played in the country's economic life. Other speakers included L. C. Quin, Atlanta, past president; H. W. Gates, Jackson, Miss., and Alphonso Davis, president of the Louisiana Insurance Society. J. F. Miazza, Sr., New Orleans branch of the Fire Companies Adjustment Bureau, told of the close harmony in Louisiana in adjustment work.

In the general discussion it was brought out that many agents have neglected the inland marine lines and it was decided to have this subject discussed at the next meeting.

It was also suggested that more understandable names be adopted for some coverages, such as omnibus coverage for inland marine and a new term for use and occupancy. Hot risks, old versus new agents, using side line covers for developing business and the selection of profitable risks were discussed. It was also suggested that if local

agency limits were lifted, affiliated companies would disappear.

In executive session the group discussed the organization of statistical and cost finding system, but the idea was abandoned on account of cost. Association questionnaires have been found too revealing of intimate details and the statistics development has encountered difficulties. Recommendations toward simplification of the questionnaire and elimination of questions relative to agency contracts, ownership and financial return were discussed.

The general agents were guests of the Fire Companies Adjustment Bureau at dinner the first day.

Superb Record of Stock Companies

(CONTINUED FROM PAGE 5)

safety for an adequate service to the policyholders and public, their interest centers on improving and protecting the service they undertake to render instead of matching pennies with their least responsible competitors. In showing how these companies contribute to the financial stability of the country, he said that the stock fire companies have \$65,803,684 invested in mortgage loans. The fire companies are not as heavy buyers of mortgages as life companies. The stock fire companies have \$180,824,138 invested in railroad stocks and \$287,076,390 in railroad bonds. In utility stocks their investments amount to \$182,107,551 and in bonds \$181,775,166. These same companies have invested in industrial stocks of American manufacturers \$305,480,650 and \$97,214,086 in bonds.

Mr. Wilbur referred to the buying power of those engaged in the service of stock companies. The United States Chamber of Commerce made a survey and ascertained there were 37,000 officers and employees in head offices of stock companies. It figured the number of fire and casualty agents at 809,136. Mr. Wilbur wanted to be conservative and so he cut the number of fire and casualty agents to 404,568. Added to the officers and employees would make 451,568 directly engaged in the business of stock fire insurance. This should be multiplied by from three to five times because of the families. He estimates that the agents, officers and employees are spending \$451,568,000 each year in maintaining themselves and their households.

The stock fire companies have invested \$250,472,324 in stock of banks and trust companies and they maintain banking balances averaging \$124,940,845 during the year. Premiums in course of collection not over 60 days old amounted to \$162,547,916. Stock company funds invested in municipal, county and school district bonds amount to \$126,944,994. There are invested \$42,384,307 in bonds of states and territories and \$175,182,696 in federal bonds. This makes a total of \$344,511,997 invested in what might be called public securities. Mr. Wilbur points out that there is a net total of \$2,289,819,738 of stock company funds invested in business, industry and in banks. This sum is functioning continuously in a wholly constructive way.

Pearl Denies Getting Bulk of the Whisky Business

(CONTINUED FROM PAGE 3)

15; America Fore 10; Crum & Forster, 10; North America, 10; North British, 10; Corroon & Reynolds, 7½; National Union, 5; Pacific, 5; American, 5; Atlas, 5; Phoenix, Home and Glens Falls, 2½ each. These reports also indicate that the Home has specific insurance.

While placed by O'Brien & Russell of Boston, the line of the National Distillers really belongs to James Roosevelt, connected with that firm. He is a son of the President.

Difficulty Not Expected In Louisville Separation

(CONTINUED FROM PAGE 4)

The Liberty Fire of Louisville has recently applied for membership in the Western Underwriters Association, and its controlled Ben Franklin of Kentucky, has reinsured all liability with W. U. A. companies, and hasn't any troubles to iron out.

The Lincoln Bank & Trust Co., has three W. U. A. companies, in the State of Pa., Security of New Haven and National Union, and one non-affiliated, in the Bankers & Shippers.

Klein & Appel has four non-affiliated companies, in the Merchants & Manufacturers, Potomac, Standard of N. Y., and Stuyvesant, and three W. U. A. companies in the State of Pa., National Union and Sussex.

Marmor Agency

The Marmor agency has one W. U. A. company in the Sussex, the rest being non-affiliated in the Potomac, Standard of New York, and Tokio.

Peter Butler & Weaver are evenly divided in four companies, with the East & West and State of Pa., as W. U. A. companies; and the Northwestern National, bureau, and Standard of New York as non-affiliated.

Detwiler & Co., have the Sussex, W. U. A., and Potomac, non-affiliated.

The Colonial agency has the Century, W. U. A.; and the Bankers & Shippers and Stuyvesant as non-affiliated.

Dressel & Co., State of Pa., W. U. A., and Standard of New York, non-affiliated.

Alex E. Johnson has the State of Pa., and Sussex, W. U. A., and the Standard of N. Y., non-affiliated.

Long & Hamilton have the National Union, W. U. A. and American Equitable, non-affiliated.

The latter agency is associated with the Liberty Bank & Trust Co., which is a W. U. A. cleared organization.

Alonzo L. Noe

Alonzo L. Noe, has the Union of England, U. U. A., and Merchants of Colorado, non-affiliated.

The Southern agency houses all three classifications, in the Bankers & Shippers, non-affiliated, Concordia, bureau; and National Union and Security of New Haven, W. U. A.

The Standard agency has the State of Pa., and Western & Southern, W. U. A., and Standard of New York, non-affiliated.

Wetterer & Co., has the Century, East & West as W. U. A. and New Jersey and Standard of New York, non-affiliated.

Woidich & Co., has the Buffalo, non-affiliated and Imperial, W. U. A.

A. J. Meyer & Co., St. Louis, has been incorporated by A. J. Meyer, A. L. Peterson, Theodore Peterson and Hazel Stadler.

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Mutual Underwriters Hold Their Annual Convention

(CONTINUED FROM PAGE 4)

S. Tremaine, president of the Merchants Mutual Casualty and controller of the state of New York. He discussed the economic situation of the country and the recovery measures, which are now operating. Special attention was given to the securities act, where severe penalties, in Mr. Tremaine's opinion, were retarding the normal flow of funds, necessary for business restoration.

The Tuesday morning session, with Harold Brown of the Hardware Dealers of Stevens Point as chairman, started with a discussion of moral hazard, led by N. M. Knowlton of the Holyoke Mutual. It was brought out that there is some moral hazard on practically every risk and that it must be carefully watched during the term of the policy. The problem of arson was considered by Harry Lee of the Mutual Fire Prevention Bureau.

The last session was under the leadership of Ben Vine and was given over to a discussion of reinsurance. The relative merits of facultative treaties, under which no cession is made until designation of the ceding company and of compulsory treaties, with the liability of the accepting company effective simultaneously with that of the ceding company were discussed by A. B. Kelly of the American Mutual Alliance. The reinsurance practices of the mutual companies were subjected to critical analysis and a new form of reinsurance contract being prepared for use by them was explained by C. M. Smith of the National Retailers Mutual of Chicago.

Many Subjects Are Listed by Management Association

(CONTINUED FROM PAGE 13)

ence for employers and insurance carriers?

4. To what extent can employers reduce accidents?

5. What type of cooperative work can be done by employers and insurers in solving the accident frequency and severity problem?

6. Should hospitals and physicians be selected by the insurer, the employer or the injured employee?

7. Are centralized hospital clinics, controlled by the insurers, satisfactory to employers and employees?

8. Is there a solution for the problem of accumulated disability due to disease or partial incapacity which has been occasioned by previous employment?

9. Should the current employer be held entirely responsible for such accumulated disability, when previous employment is a contributory factor?

10. Would a continuous insurance contract for each employee with accumulating benefits be a practical solution for preexisting and aggravated disability?

11. Would a contributory plan similar to that used in group, accident and health insurance be of practical value?

12. Should occupational disease be eliminated entirely from compensation plans?

13. Can a compensation premium basis be devised which would be more equitable than the present payroll basis?

14. Would the number of man hours worked be an equitable basis?

15. Why is it that many employers are able to administer their own compensation plans with wide margins of saving and improved employees' relationship?

16. Can insured employers adapt any of the self-insurers' methods without dispensing with insurance protection?

Leaders of Discussion:

T. N. Bradford, insurance manager Valley Camp Coal Company; C. J. Dennehy, manager insurance department Union Carbide & Carbon Corporation; W. H. Palmer, assistant treasurer Lowe Paper Company; J. S. Dodge, insurance manager Pittsburgh Plate Glass Company; M. P. Miller, personnel director Lynchburg Foundry Company.

Tuesday Afternoon Session

Led by L. H. Wiggers, insurance manager Procter & Gamble Company, chairman and leader of discussion.

This session will be opened with a



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brief résumé, by the chairman, of the discussion following each of the papers presented at the preceding sessions. Opportunity will be given for brief further discussion. At this round table conference the following topics have already been suggested:

1. Riot and civil commotion insurance in relation to fire and explosion and steam boiler insurance.
2. Malicious damage insurance.
3. Inland, coastwise and marine transportation insurance.
4. Machinery breakdown insurance.
5. Obsolescence insurance.
6. What benefits may be expected from group study of insurance?
7. How can trade and manufacturers' associations best serve their members on insurance matters?
8. What is the easiest way to avoid controversy and litigation in the settlement of claims?

Martin Heads Peoria Agents

PEORIA, ILL., April 25.—J. Edward Martin was reelected president of the Peoria Insurance Agents Association for the fourth consecutive time at the annual meeting. Lyle Gift was re-named vice-president, H. R. Woodward, secretary, and Henry Wittick, treasurer.

W. W. Lenox Is Dead

W. W. Lenox of Albany, N. Y., manager of the Fire Companies Adjustment Bureau there, died Sunday in a hospital in New York City. He was born in Glens Falls 63 years ago and entered the agency of the late C. W. Cool there. Later Mr. Lenox was appointed state agent of the Hartford Fire in eastern New York holding that position until September, 1915, when he went with the bureau.

Hotel Lobby Snapshots at White Sulphur Gathering

(CONTINUED FROM PAGE 13)

Hot Springs with the Rush family. Vice-president J. O. Platt was present at the meeting from the head office.

* * *

W. T. Johnson of New Haven, vice-president of the Security, went to White Sulphur in honor of Western Manager W. D. Williams, who was president of the Western Underwriters Association.

* * *

R. L. Gregory of Charleston, W. Va., state agent of the Aetna, stopped at the Greenbrier one afternoon and evening, meeting Vice-President Guy E. Beardsley from the head office.

* * *

The W. U. A. at its last session ordered some flowers sent to W. N. Achenbach of Chicago, western manager of the Aetna, who could not be present on account of his severe attack. A message of good wishes was conveyed to him.

* * *

D. Cliffe Stone of Nashville, Tenn., is the oldest member of the W. U. A. in point of continuity. He was admitted to membership in 1900.

* * *

C. R. Street, western manager of the Great American, was delegated by the retiring president, W. D. Williams, to escort the new president, E. A. Henne of the America Fore, to the platform after the election. Mr. Henne's elevation to the high office was a foregone conclusion and there was no one else considered for the place.

* * *

At the last session, A. F. Powrie, manager Fire Association, reported for the map committee and J. F. Stafford of the Sun for the uniform forms committee.

* * *

President Carl Sturhahn of the Rossia is a great lover of carnations. He invariably wears one as a boutonniere.

* * *

Rodney Davis of New York, United States manager of the Prudential, the well known reinsurance company, was present and mingled with his old conferees of the North America and Camden, both of which companies he served in the field.

* * *

Frank H. Newman, newly appointed assistant manager of the General of Paris, who formerly served as its underwriter, made his bow at a W. U. A. meeting.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago, at close of business April 23

Stock	Par	Share	Div. per	Bid	Asked
Aetna Cas.	10	2.00†		52	54
Aetna Fire	10	1.60		39	41
Aetna Life	10	1.20		21	23
American, N. J. ...	2.50	.50		10	11
Amer. Surety	25	...		23½	25
Automobile, Conn. ...	10	1.00		22	24
Boston	100	16.00		460	470
Continental Cas. ...	5	.60		14	15
Continental Ins. ...	2.50	1.20		34½	35½
Fidel-Phenix ...	2.50	1.20		34½	35½
Fire Assn.	10	2.00		49½	50½
Fireman's Fund. ...	25	3.00		59	60
Fireman's F. Ind. ...	10	...		19	22
Firemen's	5	...		6½	7½
Franklin Fire ...	5	1.00		22	24
Glens Falls	10	1.60		28	30
Globe & Rutgers ...	25	...		47	52
Great Amer. Ind. ...	1	...		8	9½
Great American ...	5	1.00		20	21
Hanover	10	1.60		30	31
Harmonia	10	1.00		22½	24
Hartford Fire ...	10	2.00		54	56
Home, N. Y. ...	5	1.20		24½	25½
Ins. Co. of N. A. ...	10	2.00		50	51
Maryland Cas. ...	1	...		2	2½
Mass. Bonding ...	12.50	...		16	19
National Cas. ...	10	...		8	9
National Fire ...	10	2.00		54	56
National Liberty ...	2	2.00		6½	7½
National Union ...	20	...		71	73
New Amst. Cas. ...	5	.80		10	11
N. Hampshire F. ...	10	1.60		35	36
North River ...	2.50	.70†		20	22
Phoenix, Conn. ...	10	2.00		64	66
Preferred Accl. ...	5	...		11	12
Prov. Wash.	10	1.00		28	30
Security Ins. ....	...	1.40		28	30
Sprgfd. F. & M. ...	25	4.50		98	101
St. Paul F. & M. ...	25	6.00		134	137
Travelers	100	16.00		460	470
U. S. Fire.	4	1.40†		38	40
U. S. Fid. & G. ...	2	...		5½	6½
Westchester F. ...	2.50	1.10†		24½	26

†Includes extra.

Convention Dates

May 10—Pacific Board, Del Monte, Cal.
May 14—National Fire Protection Association, Atlantic City.
May 15-17—South Carolina Agents, Orangeburg.
May 15-17—Western Insurance Bureau, New York City.
May 17-18—Nebraska Agents, Kearney.
May 17-18—Alabama Agents, Montgomery.
May 18—Casualty Actuarial Society, New York.
May 18-19—Arkansas Agents, Hot Springs.
May 21-23—New York Agents, Rochester.
May 24-25—Pennsylvania Insurance Days, Harrisburg.
May 24-25—Texas Agents, Dallas.
May 25—Insurance Advertising Conference, New York.
May 25-26—Oregon Agents, Portland.
June 6—Southeastern Underwriters Association, Hot Springs, Va.
June 10-12—New England Agents, Bretton Woods.
June 7-9—National Association of Accident & Health Managers, Cleveland.
June 14-15—Virginia Agents, Staunton.
June 18-19—North Carolina Agents, Blowing Rock.
June 19-21—Health & Accident Underwriters Conference, Chicago.
June 21-22—Illinois Fire Underwriters Association, Lake Delavan.
June 22-23—Georgia Agents, Sea Island Beach.
Aug. 6-7—Idaho Agents, Payette Lake.
Aug. 13—New Mexico Agents, Santa Fe.
Aug. 21-23—Blue Goose Grand Nest, Omaha.
Aug. 22-24—International Association of Insurance Counsel, French Lick.
Aug. 30-31—Iowa Agents, Council Bluffs.
Sept. 19-21—National Association of Insurance Agents, Grand Rapids.
Sept. 24-28—National Safety Congress, Cleveland.
Oct. 11-13—Kansas Agents, Wichita.
Oct. 10-15—Casualty Conventions, on boat to Bermuda.

Idaho Committee Meeting

SAN FRANCISCO, April 25.—H. R. Jackson, Pacific Coast manager Atlas Assurance, is named chairman of the Idaho advisory committee and R. R. Robertson, agency superintendent London & Lancashire vice-chairman at the organization meeting. The committee met with a committee representing the local agents of Idaho for discussion of mutual problems. The agents' committee was composed of A. L. Gridley, John Robertson, Herman J. Roszi, Joseph Perrault and H. H. Lipps.

Late News from the Casualty Field

Celebrate 25th Anniversary

NEW YORK, April 25.—Members of the Surety Underwriters Association of New York City will celebrate the 25th anniversary at a luncheon May 3.

New Mexico Bonding Bill Killed

DENVER, April 25.—A New Mexico legislative committee has killed a bill providing for a state bonding department, introduced in special session, according to word received here. The proposed department had been planned for the purpose of writing fidelity bonds on state, county and municipal officials.

Hear of Responsibility Law

MINNEAPOLIS, April 25.—Enforcement of Minnesota's new drivers' license and financial responsibility laws was discussed before the Insurance Club by Gil Carmichael, director of the state license bureau, and C. P. Tracy, head of the financial responsibility division. The club is preparing an elaborate program for its meeting May 21.

E. C. Bennett, who specializes in marine, and A. D. Blakeslee, a casualty expert, have been elected directors of Dewick & Flanders, Boston.

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The National Underwriter

April 26, 1934

CASUALTY AND SURETY SECTION

Page Thirty-three

Officials Expect Increase in Loss

Combination of Paved Roads, Speedy Cars, May Maintain High Accident Rate

OTHER FACTORS NOTED

Temporary Hopeful Showing on Automobile Insurance Last Year Deemed Unreliable Indication

NEW YORK, April 25.—Encouraged by the slight underwriting profit made on automobile business last year, some non-affiliated casualty companies are credited with seeking the line with unusual aggression, apparently upon the theory that the good results will continue this year. Company officials of conservative type however adhere to the belief that the business is one of broad averages, and the record of no 12 months period can be taken as a reliable guide for future experience. It is noted that losses on the line have increased considerably since Jan. 1 and the opinion is that this trend will continue this year, and probably next.

High Speeds Hazardous

In support of the theory underwriters point out that automobile manufacturers stress in advertising the advantages of new models, speed, quick starting, etc. The combination of broad paved highways, and the high speed of cars invites speeding. Cars run so smoothly that drivers often are unconscious of the reckless pace. Speeds of 30 or 40 miles an hour no longer content many motorists. They push their cars regularly to 70 and 80.

Liquor Adds to Hazard

Another factor noted by underwriters is increase in number of intoxicated drivers. Repeal, it is said, greatly has added to the road hazard. This is evidenced by steady gain in number of arrests made following accidents, where one or more persons involved are held wholly or partially under the influence of liquor.

Note Greater Exposure

A third factor is increasing exposure. With returning prosperity, motorists are driving more frequently.

Although increased employment and higher wages have improved experience on workmen's compensation, the feeling is that these factors will make for higher claim payments under automobile public liability and property damage covers. Injured persons, it is believed, will not feel the urge for immediate settlements and will be more inclined to litigate cases, while as to property damage losses, companies will be compelled to pay more for both labor and materials in effecting repairs. There has been a general advance in price of

(CONTINUED ON PAGE 35)

Casualty-Surety Year Is Shown in 1933 Review

(From the Argus Casualty & Surety Chart)

The totals shown below for admitted assets, total liabilities, capital, and surplus less capital are according to the bases for valuation of securities as reported in the main section of this book. The life department is included for those companies writing life insurance in addition to accident and health and miscellaneous lines. Contingency reserves and reserves for depreciation of security values are included in total liabilities.

Surplus less capital includes the net deposit capital of United States branches of foreign companies.

STOCK COMPANIES

*Admitted Assets	\$2,502,611,167
*Total Liabilities	2,128,808,026
*Capital	168,807,318
*Surplus less Capital	204,995,823

*Excludes six of the larger legal reserve life companies writing accident and health. If included these figures would be: Admitted Assets, \$10,354,358,097; Total Liabilities, \$9,602,271,787; Capital, \$179,389,318; Surplus less Capital, \$572,696,992.

Net Premiums and Losses and Loss Expenses Paid by Classes

1933			1932		
Net	Losses &		Net	Losses &	
Premiums	Adj. Exp.		Premiums	Adj. Exp.	
Written	Paid	%	Written	Paid	%
\$39,785,106	\$23,753,783	59.7	\$42,930,869	\$28,215,079	65.7
15,418,835	11,882,444	77.1	18,424,733	14,625,599	79.3
15,815,483	13,068,565	82.6			
56,758,129	32,687,357	57.6	17,860,292	12,963,535	72.5
127,777,553	81,392,149	63.7	60,588,973	34,784,536	57.4
53,295,730	27,898,096	52.3	139,804,867	90,588,749	64.7
168,448,700	115,760,192	68.7	52,409,964	28,537,185	54.4
93,368,813	80,521,869	86.2	184,331,751	129,631,019	70.3
30,871	15,228	49.3	100,707,123	95,833,889	95.1
40,523,949	17,302,824	42.7	24,259	19,236	79.2
32,368,251	29,863,239	92.3	41,961,022	23,687,048	56.4
10,995,378	4,697,912	42.7	33,772,193	45,430,476	134.5
25,739,284	10,026,770	39.0	10,412,576	4,831,707	46.4
1,915,976	592,537	30.9	26,784,942	13,796,135	51.5
48,987,070	21,127,812	43.1	2,268,974	879,650	38.7
6,425,505	3,612,034	56.2	53,027,279	26,626,379	50.2
11,282,153	5,670,673	50.3	8,024,517	5,222,399	65.0
6,418,609	742,083	11.6	9,665,414	6,571,460	67.9
2,068,240	634,513	30.7	5,237,153	423,458	8.0
2,037,427	996,483	48.9	2,055,390	301,391	8.8
559,459	202,241	36.1	3,424,306	3,027,390	88.4
266,682	281,875	105.7	548,471	262,891	47.9
3,744,841	1,758,716	47.0	351,366	410,664	116.8
1,714,682	841,308	49.1	1,840,407	2,340,217	127.1
637,969,173	403,938,554	63.3	1,492,766	811,418	54.3
			678,144,740	479,233,270	70.6

MUTUAL COMPANIES

Admitted Assets	\$197,816,572
Total Liabilities	130,931,026
Surplus to Policyholders	66,885,547

1933			1932		
Net	Losses &		Net	Losses &	
Premiums	Adj. Exp.		Premiums	Adj. Exp.	
Written	Paid	%	Written	Paid	%
\$37,468,587	\$21,271,822	56.8	\$35,402,492	\$20,204,790	57.0
13,085,043	4,462,168	34.1	11,985,836	4,683,056	39.0
3,917,462	1,953,700	49.9	4,625,408	2,451,550	53.0
1,558,659	730,449	46.9			
3,094,267	1,383,390	44.7	2,589,874	1,220,907	47.1
59,124,018	29,801,529	50.4	1,334,702	856,550	64.1
5,091,821	2,337,450	45.9	55,938,312	29,416,853	52.5
31,521,767	23,504,845	74.6	4,691,661	2,231,908	47.5
182,145	68,558	37.6	31,687,886	25,983,700	81.9
262,212	49,007	18.7	190,880	75,931	39.7
14,110	.....	.....	150,524	65,773	43.6
919,829	420,387	45.8	1,743	.....	.....
415,983	142,037	34.2	798,458	380,528	47.6
13,460	9,144	67.9	327,312	132,464	40.4
236,179	5,421	2.3	17,261	9,656	55.9
105,926	22,479	21.2	197,597	7,230	3.6
30,797,406	21,934,207	71.2	75,197	14,938	19.8
128,684,856	78,295,564	60.8	37,269,638	26,947,921	72.3
			131,346,469	85,266,902	64.9

RECIPROCAL AND LLOYDS

Admitted Assets	\$35,429,921
Total Liabilities	16,129,902
Surplus to Policyholders	19,300,019
Net Premiums Written (Auto. and other lines)	21,251,190
Losses Paid Including Adjusting Expenses	9,902,809
Ratio of Losses Paid to Net Premiums Written	46.6%

Mutual Spokesman Attacks Sureties

Gruhn, at Hearing on London Lloyds Bill, Charges Monopoly

DISCRIMINATION ALLEGED

Senate Committee Is Told American Bonding Companies Won't Write Qualifying Bonds For Mutuals

A. V. Gruhn, general manager of the American Mutual Alliance, appeared at a recent hearing in Washington on anti-Lloyds legislation. Mr. Gruhn expressed discontent with the practice of many American surety companies in declining to write qualifying bonds for mutual companies.

Speaking as a "friend of the court," he spoke of "what has happened to us by reason of the exercise of monopolistic powers" and stated that "the individual companies that I represent have asked these surety companies to write qualifying bonds which they alone are authorized to write and they have refused." Stock surety companies, he contended, are "seeking unfair competitive advantage." He named 23 surety companies having taken this position and, while admitting that coverage of the kind desired was not obtainable from London Lloyds and admitting that his companies had no direct interest in the bill under consideration, he wanted the facts placed in the record.

Local Agents Interested

Various state associations of local agents have entered into this picture in the past, notably Louisiana. Pressure has been brought to bear on the offices represented by them, fire companies with casualty annexes, and to some extent, at least, this may have induced surety companies to furnish qualifying bonds for mutuals. Mr. Gruhn placed in the records a letter from the United States Fidelity & Guaranty, which was publicized a few months ago. The U. S. F. & G. announced it would discontinue writing such bonds for mutuals in the interest of the American agency system.

Washington Auto Rate Row Is Taken Under Advisement

After listening to the views expressed by J. A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, and those of a number of local branch managers and agents, opposing the suggested automobile rating plan of the American Automobile, at the hearing at Olympia, Wash., Commissioner Sullivan took the matter under advisement promising decision within a short time.

Auto Fleet Questionnaire Asks Searching Questions

ACTION IS TAKEN IN ILLINOIS

Answers of Foreign Companies Will
Have Bearing on the Renewal of
Their Licenses

Following up his recent ruling, which prohibits the writing of fictitious fleets in Illinois, Insurance Director Palmer of that state has asked the companies to fill out an extensive questionnaire. Compliance on the part of foreign companies with the fleet ruling and the manner in which they fill out the questionnaire will have a bearing on the renewal of their license for the year commencing July 1.

Mr. Palmer's fleet ruling differs from those which have been issued in some other states in that he permits employee-owned cars to be included in the fleet when such cars are used in the business of the employer and the employer contributes to their maintenance.

Questionnaire Is Given

The questionnaire, which is to be sworn to and notarized, reads as follows:

Do you write fleets of motor vehicles under any plan? If so, are you conforming to the requirements set forth in department bulletin XB-75 so far as coverages affecting motor vehicles domiciled in Illinois are concerned?

List each fleet domiciled entirely in Illinois, setting forth: Name of insured, number of cars owned by insured, number employee-owned cars included, number employee-owned cars added since Feb. 5, 1934, whether employee-owned cars added to fleet since Feb. 5, are actually used in the business of the employer and all of the expense of operating them is paid for by the employer while being so used; premium applicable to cars owned by insured, premium applicable to employee-owned cars, percentage reduction granted employees for placing insurance under fleet policies.

Other State Fleets

List fleets written in states other than Illinois but having cars domiciled in Illinois, setting forth: Name of insured, number of cars owned by insured, number cars owned by insured domiciled in Illinois, number employee-owned cars domiciled in Illinois and included in fleet; number of employee-owned cars domiciled in Illinois added since Feb. 5; whether employee-owned cars domiciled in Illinois are actually used in the business of the employer and the expense of operating them is paid for by the employer while being so used; whether premium charged for Illinois cars is the same or is more or less than that which would be charged had entire fleet been domiciled in Illinois. If less, give percentage difference; percentage reduction granted employees having cars domiciled in Illinois for placing insurance under fleet policy.

Preferred Plan Inquiry

Are you issuing policies to employees of business organizations, institutions, etc., under any preferred plan? If so, list names of such organizations or institutions and percentage reduction in premium charged as compared with premium normally charged for same coverages.

Are you issuing policies under any preferred plan other than as provided for above? If so, give details of such plan.

Urges Accident Prevention

KENOSHA, WIS., April 25.—An appeal for the adoption of a slogan of "five minutes a day for accident prevention," was made to the local Kiwanis Club in a talk on "The Great American Gamble" by N. R. Clark, manager of the compensation and liability department of the Milwaukee office of the Travelers.

Local Agents Represented at General Agents' Meet



W. OWEN WILSON, Richmond, Va.

W. O. Wilson of Richmond, Va., member of the executive committee of the National Association of Insurance Agents and a former president of the Virginia association, represented the national body at the annual meeting of the American Association of Insurance General Agents at New Orleans.

Bowes & Co. Binding Dram Shop Coverage in Lloyds

Bowes & Co., Chicago agency, has entered the field of dram shop liability coverage in Illinois with a London Lloyds contract. Bowes & Co. has been binding risks for several weeks, the binding form having been approved by the Illinois department before the actual contract to be written. At first Bowes & Co. bound risks on the basis of the contract which the Car & General was to write, but since withdrawal from the dram shop liability field by that company has been binding on the basis of the London Lloyds' Heath group's contracts approved by the Illinois department. Full coverage is given with the exceptions of exclusion of liability for any results of sales of liquor to minors, and limitation of \$2,500 on property damage. However, additional limits of property damage may be secured upon application and payment of additional premium. The limits now being written on public liability are \$20,000/40,000.

Action Against Wildcats Taken in Kansas and Utah

TOPEKA, KAN., April 25.—There are 21 insurance companies writing business in Kansas through unlicensed agents without being admitted to the state by the insurance department. Commissioner C. F. Hobbs has asked the county attorneys to cooperate with the department in driving these unlicensed companies and their agents out of the state. This number does not include the mail order companies which operate exclusively through the mails. A check of most of the 21 companies show that none of them could be organized or licensed in this state if they wanted it done because of the type of their organization.

WARNING IN UTAH

SALT LAKE CITY, April 25.—Commissioner E. A. Smith, Jr., has issued a warning to the public to beware of companies unauthorized to do business in Utah but who are making a strong bid for support through the mail, and even through solicitors.

Group Companies to Offer Hospitalization Benefits

UNDER ACCIDENT AND HEALTH

Cost May Be Paid by Employer, Employees or Both Jointly—Makes
Low Premium Rate Possible

Hospitalization benefits for employees at low rates made possible by group insurance are now available under a plan formulated by some of the leading group companies. Social significance of the action, taken after intensive study for several years, is expected to be far-reaching.

Hospitalization benefits will not be offered on an individual basis, but only to a group of employees through their employer, as in the various forms of group insurance. Also benefits will be provided only in conjunction with group accident and health insurance, through a supplementary agreement between employer and insurance company.

Cost of hospitalization benefits may be paid by the employer, employees, or jointly, with contributions by employees collected through voluntary payroll deduction. By placing benefits under a group accident and health plan, and through economies in administration and claim adjustment procedure, a premium rate far less than available to an individual is made possible for groups of employees.

It is planned that payment in cash will be made to an employee for each day of hospital confinement, with limitation as to number of weeks in any 12 consecutive months for which payment will be made. Payments also will be made to cover charges for special hospital services, such as anaesthetic, laboratory, operating-room and x-ray examination, but not including treatment, with a maximum amount provided for such charges.

Benefits will not be payable for occupational accidents and diseases, nor for operation, surgical or medical fees. Also, as in group accident and health policies, benefits will not be available to employees who are 70 years of age or over.

The action is of especial interest in connection with the concerted drive which has been carried on recently to build up group hospitalization schemes under the auspices of the hospitals themselves. The American Hospital Association is backing the idea very strongly and announced recently that 30 cities in 21 states had started group hospitalization in the past 12 months, with similar plans in the formative stage in a number of other important cities.

Atkinson Favored Again

Although the insurance affairs of the Ohio liquor board are under legislative investigation, the board has just placed additional insurance through H. S. Atkinson, local agent of Columbus, whose monopoly on the business of that board and of other state agencies, is being criticised. The latest business to go to Mr. Atkinson is bonds of \$1,000 on the 80 inspectors of the liquor department. Then there was a \$5,000 bond on Matt Hinkle, Cleveland, liquor purchasing agent. The bond of Comptroller H. E. McCollister was set at \$25,000 and that of Chief Inspector E. G. Mathews at \$10,000. The board approved a plan to bond cashiers and store managers in state liquor stores, according to the average daily receipts of each store. Burglary insurance of \$2,500 was approved for each of the stores.

Abandon New Jersey Organization

It has been definitely decided to abandon proposed organization of non-conference casualty companies doing business in New Jersey due to lack of interest.

May Extend Principles of California Cost Rules

FAVORABLE COMMENT HEARD

Endorse Idea of Designating Towns in
Which General Agents May
Be Appointed

NEW YORK, April 25.—Much favorable comment is heard as to certain principles embodied in the recently promulgated California acquisition cost rules.

In that state, the quota of general agents and branch offices which a company may maintain is limited and in addition the maintenance of general agencies or branches is restricted to certain of the more populous cities. By thus designating certain towns in which the general agents, branch offices or district agents may be maintained, ugly situations are likely to be avoided and the idea may be applied in other states.

Where general agents may be named anywhere in a state, a company that is over its quota and reduces the commission of district or general agent in a smaller place, is likely to lose that connection to a company, whose quota has not been filled. That is, the new company would offer the agent, general or district agents commission, depending on what he had been getting previously, and would carry him along on the basis to which he had been accustomed.

However, if the rules did not allow any company to maintain a general agent in that town, the first company could reduce the status of its agent, in order to comport with the acquisition cost rules, with a more than even chance of retaining the connection on a lower commission basis.

Occasion May Arise for the HOLC to Buy Liability

WASHINGTON, April 25.—A proposed amendment to the Home Owners Loan Corporation legislation may prove of considerable interest to casualty and surety companies if passed, as now seems likely. This will enable loans to be made for the purpose of making necessary repairs, painting, etc., including, perhaps, even additions deemed likely to add to the value of the mortgaged homes. It is estimated that over \$2,500,000 of such repairs would immediately be authorized on the passage of this amendment. The question of household liability existing during such repairs has been brought to the attention of Home Loan officials and it has been practically decided that this should be covered. The suggestion has also been advanced to buy liability protection for all HOLC properties regardless of whether repairs are in progress. A blanket bond covering all homes on which loan has been made with a small premium charged for each building has been offered and may be determined on.

The individual premium being very low it is stated that there can be no objection to any apparent invasion of the right of local agents to participate in this business and it is stated that the past practice of the HOLC in recognizing local agents' interest in fire insurance will not be changed.

Ohio Figures Given

Casualty premiums totaled \$32,172,366 in Ohio in 1933, while claims paid were \$16,283,445, or a ratio of 50.6 percent, according to the state insurance department. Stock premiums totaled \$27,131,225 and losses \$13,884,925 or 51.2 percent. Mutual premiums amounted to \$4,206,377 and losses \$1,943,239 or 45.8 percent. Assessment premiums totaled \$834,761 and losses \$455,278. Stock premiums amounted to 84.5 percent of the total.

H. P. Jackson Views Ills of Business

Deplores Increased Claim-Mindedness of Public and Organized Fraud

SPEAKS TO LIMA AGENTS

Bankers Indemnity President Favors Merit Rating if Practical Plan Can Be Worked Out

LIMA, O., April 25.—No one will deny that the casualty business is in a very unsatisfactory condition, Harold P. Jackson, president of the Bankers Indemnity, told an agency group meeting here in connection with Lima insurance week. The casualty companies have lost heavily from underwriting and investments in the aggregate during the last decade and the trend through the past few years has been even less favorable, said Mr. Jackson.

"Excluding the instances of poor management and underwriting on the part of individual companies," said Mr. Jackson, "the answer to the casualty situation lies in the increased claim-mindedness of the public, the increase in organized claim fraud, increased congestion on the highways, increased speed of lighter cars and increased hours of use with the emphasis on crooked claims."

"These conditions have been reflected in the rate making procedure to cause sharp country-wide rate increases which nevertheless have not overtaken the loss trend to bring the underwriter out even. There is probably not a home office in the country that is not besieged with appeals from its agents that they can neither hold nor expand their automobile liability business under the pressure of cost resistance on the part of the buyer, tremendously aggravated by the onslaught of cut-rate competition."

Companies Only Measure Hazard

"You and your policyholders and the insurance departments demand that we maintain the solvency of our companies. Can we do this by charging less for the protection we furnish than we know, and you may know if you will investigate, is necessary? Shall the threat of a rate war permit a desertion from scientific rating or a trust imposed upon us and conscientiously accepted? Automobile owners make the rates. We only measure the hazard. Until there is more universal caution on the highways and a lessening of claim fraud and corrupt practice in our tribunals of justice, automobile insurance protection which is dependable is going to cost what is now being charged for it, if not more."

No Practical Merit Plan

"I believe most executives right now would be favorably inclined to a merit plan if there was any assurance that it would operate to reward the careful driver and penalize the careless. The business awaits a messiah who can devise such a plan. The practical conditions under which automobile insurance is produced seems to preclude the underwriter from obtaining the rate penalty due which is, of course, essential to balance the program. Without such a guarantee the introduction today of a ten percent discount for a no-accident record of one year previous would cost the bureau companies in premium something like \$17,000,000 because we know that approximately 15 percent of the drivers cause the accidents in any one year and 85 percent would consequently be entitled to the discount. It is diffi-

All Officers Are Reelected by Milwaukee Surety Club

MILWAUKEE, April 25.—A. J. Goddard, manager of the Aetna Casualty bond department, was named president of the Surety Underwriters Association of Milwaukee for a second term at the annual meeting. B. F. Zinn, Continental Casualty, was reelected vice-president and E. F. Halkey, Gaedke-Miller agency, was reelected secretary-treasurer. The executive committee are Julius Egerman, manager Massachusetts Bonding; C. D. Marks, manager American Surety; A. A. Miller, Gaedke-Miller agency, and H. H. Thomas, manager Fidelity & Deposit. In his annual address, President Goddard touched on the accomplishments of the association during the past year and stressed the value of the interchange of ideas and experiences.

Plan Tri-City Tournament

Favorable reception was given the suggestion received from A. G. Stanten, Chicago, representing the Chicago Surety Underwriters Association, that the Milwaukee organization join with Detroit and Chicago associations in a golf tournament some time in June at the Sunset Ridge Country Club at Chicago.

cult to find a sound underwriter in the face of present loss ratios who is willing to contribute his pro rata share of this \$17,000,000 cut or a chief executive charged with keeping his company financially stable who would approve it in the face of current market value and return on his invested assets. We all want to do something for the careful driver but as yet we lack the practical method of doing it and certainly this is not the time for speculative experiments."

Chicago Underwriters Organize

The Casualty Underwriters Association of Chicago is being organized to promote good practices, develop friendly relations and serve in disseminating useful information. Those eligible to membership are underwriters of branch offices and of direct reporting general agencies. The first meeting will be May 2. James Tallon, Travelers, is acting president, and G. H. Radcliffe, U. S. F. & G., acting secretary-treasurer.

Casualty-Surety Chart Gives Valuable Figures

The new 1934 edition of the Argus Casualty-Surety Chart (the 35th annual edition) which presents the financial and operating reports of all casualty and surety organizations doing \$25,000 or more premiums annually and includes a special section on Accident and Health, is issued by THE NATIONAL UNDERWRITER. Not only agents, brokers, and company men, but also the public as well as keenly interested in these reports of how insurance companies came out in 1933.

Showing practically all of the essential figures from the record of both stock and mutual companies and also reciprocals and Lloyds, the new Argus Casualty-Surety Chart provides a comprehensive, yet inexpensive statistical reference, useful to all insurance men.

These important ratios are shown: Losses incurred to premium earned, expenses incurred to premium written, and the "combined" loss and expense ratio. Security valuations, contingency and special reserves, and changes in capital structure are clearly indicated for all companies.

For stock companies, net premiums written and losses paid including adjustment expenses, are shown by classes of business written. Special tables of compensation experience and liability experience, showing earned premiums, losses and claim expenses paid and the ratio are shown for 1933 together with the aggregate since a company began writing these lines.

The special accident and health section gives five-year figures on tall companies writing the class exclusively and includes legal reserve life companies writing accident and health.

Helpful to Agents Everywhere

Showing many more companies than other similar charts, the Argus Casualty-Surety Chart user has a reference to practically any company about which anyone may want to get information. It provides the data on the smaller, not-so-well-known ones as well as the big companies. It enables him to give definite, quick, authoritative answers to thousands of questions that may pop up any day.

Report on Central Surety Examination Made Public

The Oklahoma, Missouri, Kansas and Texas departments made a convention examination of the Central Surety of Kansas City as of Dec. 31 last. The assets were slightly increased by the examiners and the surplus was increased \$15,602 over the amount claimed by the company. The assets are \$4,541,982, claim reserve \$1,342,365, premium reserve \$1,062,084, special reserve \$266,142, capital \$1,000,000 net surplus \$619,888. The report said that the investments are being carefully and conservatively managed. Loss reserves are adequate. A policy of more selective underwriting was adopted and there is a strict adherence to manual rates.

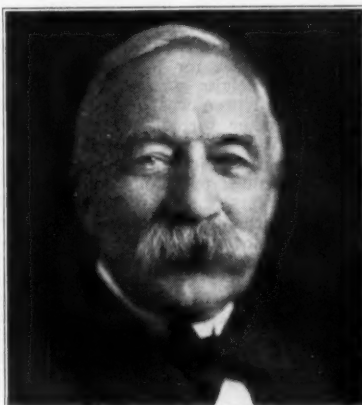
The C. R. Dorsey agency, West Palm Beach, Fla., has been incorporated by C. R. and Ida O. Dorsey and Cora Jarrell.

Tariff Companies' Results Better on Auto in Canada

TORONTO, April 25.—According to figures compiled by the "Financial Post," member companies of the Canadian Automobile Underwriters Association showed a better loss ratio on their automobile business in Canada in 1933 than did non-tariff companies. The ratio of earned premiums to losses incurred for the tariff companies was 39.7 percent and for all non-tariff companies 44.6 percent. Net premiums written in 1933 by tariff companies were \$7,609,000 as against \$4,305,000 non-tariff.

A further \$1,236,000 of business was written by companies which operate non-tariff in Ontario, Quebec and the maritime provinces, where the Canadian Automobile Underwriters Association has jurisdiction, but which operate as tariff companies in the western provinces. The earned loss ratio for this latter group was 41.5 percent, which is midway between the loss ratio of the purely tariff and non-tariff offices.

Celebrating Golden Anniversary



F. W. LAFRENTZ



ARTHUR F. LAFRENTZ

Honors were paid F. W. Lafrentz, chairman of the board of the American Surety, and his son Arthur F. Lafrentz, president, at the golden anniversary celebration of the company. The father, one of the company's founders, was successively comptroller, second vice-president, then was elected president Jan. 17, 1912. After 14 years' service of the highest order, he resigned in January, 1926, to become chairman of the

board, being also in that capacity in the New York Casualty. Arthur F. Lafrentz has followed closely in his father's footsteps, joining the American Surety in July, 1913. He was elected vice-president in August, 1922, then second vice-president in January, 1926. He became first vice-president in June, 1927, and president in January, 1932. He also is vice-president and director of the New York Casualty.

Officials Expect an Increase in Losses

(CONTINUED FROM PAGE 33)

materials, but the chief increase is in labor costs. In the case of certain classes of mechanics, particularly in skilled trades, this has been material. The effect easily may be to reduce substantially, if not eliminate underwriting profit on automobile property damage.

While casualty companies some time ago sanctioned issuance of public liability policies with \$2,500/\$5,000 limits, not much of this business has been written. Most assured are disposed toward higher limits.

Popular Form \$5,000 \$10,000

The most popular form of public liability coverage sold is that with \$5,000/10,000 limits. Many policies are written for individuals with \$50,000/50,000, and even \$100,000/100,000 limits. Occasionally higher limits are taken by wealthy men.

Fleet cars are insured against public liability claims as a rule for \$10,000/20,000, though some go as high as \$100,000/300,000, owners appreciating the accident hazard to which they are constantly exposed because of great mileage covered, much of it at night.

Performance in automobile insurance means but one thing **SERVICE**

Our willing and rapid, fair service at the time policyholders have claims is what convinces them year after year to renew their **EXCEPTIONAL-SERVICE** policies in this company.

As an agent representing us, you will have more time to solicit new automobile insurance prospects because you spend less time in renewing existing policies.

You need a proven company like this in your agency.

Ask us to send you full details, no obligation, of course.

Writing business in only the States of Illinois and Indiana—exceptional claim service anywhere in the United States or Canada.



C. H. Barr
President

J. V. Kennedy
Vice President

W. D. Kennedy
Treasurer

C. L. Morris
Secretary

A Stock Company Specializing in Automobile Insurance

Contract Made in Tennessee; Suit Filed in Mississippi

HARTFORD ACCIDENT WINNER

U. S. Supreme Court Finds Bond Is Tennessee Contract, Not Subject to Mississippi Limitations

The United States Supreme Court has held for the Hartford Accident, as against an assured who, under a fidelity bond signed in Tennessee, sued in Mississippi because the policy provision that the assured must bring action within 15 months after the termination of the contract is in violation of the Mississippi code. The assured was the Delta & Pine Land Co.

The fidelity bond was signed in Memphis and the United States Supreme Court upheld the contention of the Hartford Accident that the contract is a Tennessee contract and governed by the laws of that state. There is nothing in the Tennessee law invalidating the condition in the contract to the effect that any claim must be made upon the surety within 15 months after the termination of the suretyship.

Defaults in Mississippi

H. H. Harris, treasurer of the land company, defaulted in Mississippi.

The Mississippi supreme court held for the assured, but the supreme court held that the bond was a Tennessee contract. The high court declared a state may limit or prohibit the making of certain contracts within its own territory, but it cannot extend the effect of its laws beyond its borders so as to destroy or impair the rights of citizens of other states to make a contract not operative within its jurisdiction, and lawful where made. In this case, performance, at most, involved only the casual payment of money in Mississippi. In such a case the question ought to be regarded as a domestic one to be settled by the law of the state where the contract was made.

Kansas Fake Claim Ring Broken Up by Convictions

A fake claim ring was smashed in Girard, Kan., when L. E. Hunsaker, the leader and R. E. Tipton were convicted of fraud in a \$1,500 claim for automobile liability damages. Several thousand dollars in fake claim losses in Girard and Independence, Kan., and adjacent Missouri territories were attributed to the gang's activities.

Hunsaker's former allies, Mr. and Mrs. Earle Hudson of Girard, were chief witnesses for the state, testifying that their claim against the company in which Tipton was insured was faked by Hunsaker for a share of the proceeds. Women were used chiefly by Hunsaker as "victims" in his fake accident schemes, testimony indicated. He provided cars, insurance policies, ready-made injuries and schemes for accidents to his associates, attending personally to every detail. On one occasion a victim turned up cut and bleeding, ready for an "accident," but the assured car got its signals mixed and failed to appear. Hunsaker was very angry, the witness said. Hunsaker and Tipton filed notice of appeal.

New York Claim Men Elect

NEW YORK, April 25.—New officers of the New York Claim Association are: President, Samuel Kaltman, Aetna companies; first vice-president, Harry Seide, Hamlin Company; second vice-president, H. R. Greenlee, Liberty Mutual; treasurer, F. J. McKeever, Fidelity & Casualty; secretary, Louis E. Vogel, Bankers Indemnity. Except for changes in company affiliations, this list is the same as for 1933. George J. Stone, Utilities Mutual, is chairman of the executive committee.

Proxy Seekers Not Hostile to National Surety Conduct

S. R. BERTRON IS A DIRECTOR

J. S. Blume Is Substantial Stockholder and Is Friend of President Vincent Cullen

NEW YORK, April 25.—With no intention of hostility to the present management of the National Surety Corporation, the two committees of this city seeking proxies from shareholders of the owner-institution—the old National Surety Company—are concerned only in advancing its welfare, appreciating that in so doing they will enhance the value of their own investment.

The idea of forming a stockholders committee was conceived by S. R. Bertron, a director of both the old and new companies, shortly after the National Surety Company was taken over for rehabilitation by Superintendent G. S. Van Schaick of the New York department.

Blume Is Friend of Cullen

J. S. Blume, a substantial holder of National Surety stock, although not a director, last month created a committee to actively canvass for proxies. He claims to have been unusually successful. He has had a number of conferences with Mr. Van Schaick as to the progress of the new National Surety and keeps in close touch with its management as well. Mr. Blume is and long has been widely known in underwriting circles of this city, being a heavy investor in shares of different insurance companies. It is recalled he held quite a block of National Liberty stock when that company was sold to the Home a number of years ago. A long time friend and warm admirer of Vincent Cullen, president of the National Surety Corporation, Mr. Blume has every confidence in the former's ability to place the organization upon a sound and enduring basis.

New National Surety Is Developing Good Income

NEW YORK, April 25.—Just 12 months ago the National Surety Corporation began operations as successor to the National Surety Company, since which time it has made steady headway, developing a premium income of approximately \$9,000,000 on a desirable risk classification. Both the loss and expense ratios are understood to have been decidedly satisfactory, justifying the underwriting and general managerial policy of the present administration and warranting the hope that the company will again rank among the leading surety offices of the country.

Refunds Losses, Not Insurer

LANSING, MICH., April 25.—The activities of the United State Refund Corporation, incorporated in Delaware but presumably having offices in Springfield, Ill., is being investigated by the Michigan department. The company is avoiding insurance department supervision in the various states by "refunding losses," rather than "insuring" against them. It has been circulating Michigan residents seeking to sell holdup, burglary, robbery, and auto theft "protection." Inquiry was made first in Illinois but department officials there provided little information. In the out-fits sales circular a letter is enclosed from the Delaware secretary of state in which it is explained that the company's powers are confined to provision of "a refund of property loss, by theft, holdup, robbery, burglary by sale of a refund contract to acceptable persons, as provided under said contract."

CASUALTY PERSONALS

Halsey Stevens, assistant secretary of the Hartford Steam Boiler, completed 45 years of service with the company. After many years as office manager and head of the accounting division, he became assistant secretary March 1, 1922.

The North American Accident of Chicago gets considerable satisfaction in the fact that recently it paid a claim for \$250 to **Harold Ickes**, secretary of the interior. Mr. Ickes carried a North American Accident policy for several years through J. R. Brennan of Chicago. He fell on an icy pavement in Washington and was confined to a hospital for several weeks.

The condition of **William Leslie**, associate general manager National Bureau of Casualty & Surety Underwriters, who was operated on for appendicitis at the White Plains hospital, is reported very good. He had suffered pains for two days. He was attending a dinner party near his home in Scarsdale, N. Y., when Mrs. Leslie became alarmed at his condition and insisted that he visit a physician. He was sent to the hospital, where the operation was performed at once. There were no complications.

E. W. Heiss, former secretary and manager of the Chippewa Valley Casualty, which retired in 1928 and was succeeded by the Income Insurance Company, died at the age of 71 at Eau Claire, Wis., where he had operated a local agency for many years.

W. A. Doody was taken suddenly ill last week and will be confined to the hospital for two or three weeks. He is a member of the legal department of the Western & Southern Indemnity at its home office in Cincinnati.

Victor C. Vette of Salt Lake City, manager of the railroad department of the Pacific Mutual Life there for some time, died at his home at the age of 70.

Mr. Vette was born in Iowa and for 20 years was in the field for the Travelers. Later he joined the Indianapolis organization of the General Accident, serving as manager of the accident department. He went to Utah 22 years ago and for a time was with the former Guardian Casualty & Guaranty of Salt Lake City.

Hal H. Smith, Jr., president of the Fire & Casualty Underwriters Agency of Detroit, is the father of a son born April 18.

J. H. Tipton, 82, for 14 years district manager of the London Guarantee & Accident at Kennedy Heights, near Cincinnati, died a few days ago.

John J. Nangle, vice-president of the Utilities of St. Louis, has been selected by Mayor Dickmann to direct the campaign for a \$16,100,000 city bond issue to be submitted to the voters May 15.

C. E. Rickerd, who for 10 years has been director of advertising and publicity of the Standard Accident, has organized the C. E. Rickerd Advertising Agency in Detroit with headquarters at 640 Temple avenue. Mr. Rickerd after leaving college joined the advertising department of the Chevrolet Motor Company and in 1920 he became assistant advertising manager. He served two terms as president of the Insurance Advertisers Conference. Associated with Mr. Rickerd is R. J. Walker as vice-president. Mr. Walker started with Mr. Rickerd in 1924 and later became assistant manager of the advertising department of the Standard Accident. He then was production manager of the Chrysler Motors and later assistant di-

rector of advertising for the Plymouth Motor Corporation. Two years ago he went with the Leonard Refrigerator Company of Detroit as assistant sales promotion manager.

T. J. Savage, head of the fidelity and forgery underwriting in the bond department of the Globe Indemnity office, died Saturday at St. Michael's hospital in Newark, N. J., following an appendi-

citis operation. The operation was performed Friday evening and apparently Mr. Savage was working out of it all right but suffered a relapse. He is survived by a daughter who is now a student in Paris, France. Funeral services were held from St. Michael's Church, Newark, Tuesday. Mr. Savage had a wide circle of friends as he was personally popular and amiable. He started with the Globe Indemnity Jan. 15, 1914, and prior to that was for 11 years with the fidelity branch of the American Surety at its head office. He was a graduate of Manhattan College. Mr. Savage served on the blanket bond committee appointed by the Surety Associ-

ation of America and did some excellent work in that connection.

Making World Fair Rates

The Chicago office of the National Bureau of Casualty & Surety Underwriters has been given the responsibility of promulgating rates for all operations at the 1934 world fair in Chicago. Last year, the world fair rates were promulgated from the head office of the bureau.

Stands and booths, selling or exhibiting non-edible goods, are rated on an area basis while all other operators are rated on a receipts basis.



NATIONAL SERVICE

on
Automobile

Plate Glass

Burglary

Public
Liability

Compensation

Accident and Health
Insurance
and
Fidelity and Surety
Bonds

(Dec. 31, 1933 Statement)

Capital
\$1,000,000

Surplus
to
Policyholders
\$1,604,286.37

Assets
\$4,525,476.80

Essential to the success of the
Agent is the financial strength
of the Company he represents



**CENTRAL SURETY
AND INSURANCE
CORPORATION**

KANSAS CITY,

MISSOURI

DENNIS HUDSON, President

Upward Trend in O. L. & T. Loss Ratio Is Observed

APARTMENTS, TENEMENTS BAD

Experience on Line Which Has Yielded
Generous Profits Threatens to
Become Unprofitable

NEW YORK, April 25.—The observation is made by a number of companies these days that their owners, landlords and tenants' liability experience is turning unfavorable. Inquiry in a number of offices shows this experience is rather general. The National Bureau of Casualty & Surety Underwriters, in a recent tabulation, confirms the fact that the loss experience on general liability lines is showing an upward trend.

According to the National Bureau tabulation, the experience on apartments and tenements is the worst, indicating that this classification is no longer profitable. Most of the big cities are showing an increase in loss ratio.

Various theories are advanced for the increase in loss ratios. One notion is

that for the last several years, buildings have been permitted to deteriorate and very little repairing has been done. Accordingly conditions have developed, making for an increase in accidents. Another theory is that general liability is suffering, along with other third party coverages, from the increased claim consciousness of the public and the increased activity of personal injury attorneys.

Companies are distressed at the situation, because general liability offers one of the few fields, in which casualty companies have been able to count on a generous profit.

Winning Tickets Cut Loss

NEW YORK, April 25.—London Lloyds got some lucky salvage on a \$125,000 loss last week. It had a blanket bond covering employees of the Corn Exchange Bank of New York and two of these, in a Flatbush-Brooklyn branch, were arrested for embezzlement. When searched betting tickets were found calling for \$12,500 and later in the day these tickets became winning ones. The bank cashed them and thus reduced the Lloyds claim.

The New York legislature is considering a hospital and surgeons' lien bill.

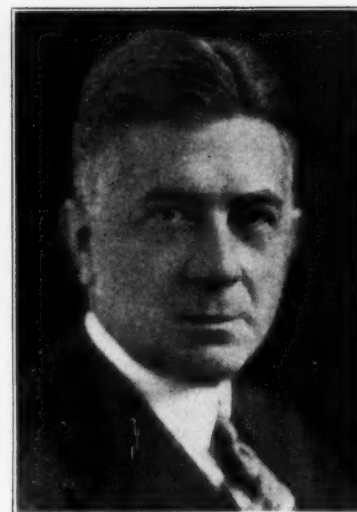
J. Collins Lee Resigns as Hartford Accident Official

SEEKS TO REGAIN HIS HEALTH

Has Had Wide Experience in the Casualty and Surety Field and Agency Work

J. Collins Lee, vice-president and secretary of the Hartford Accident & Indemnity, who is head of the agency department, has tendered his resignation. He has been in ill health for some time and for several weeks has been under the care of a physician. He will leave for an extended trip soon in order to get away from business and endeavor to regain his health. He went to Hartford in October, 1914, going with the Hartford Accident. He had been manager of the Pacific Coast department of the London & Lancashire Indemnity and previously had been with the American Bonding and Fidelity & Deposit. At one time he served in the capacity of assistant to the president of the Surety Association of America, New York.

Is Resigning



J. COLLINS LEE

The fraternity was surprised to learn of the resignation of J. Collins Lee as vice-president and secretary of the Hartford Accident & Indemnity. He is in poor health and is now going away to regain his strength.

Stock Casualty Premiums Are Off 13% in Nebraska

LINCOLN, NEB., April 25.—Stock casualty premiums decreased 13 percent in Nebraska in 1933, totaling \$4,678,000 last year and \$5,424,000 in 1932. Losses decreased \$717,861 from the 1932 total of \$3,386,836 to \$2,668,975 in 1933. Mutual premiums increased from \$738,589 in 1932 to \$751,715 in 1933, while 1932 losses were \$398,112 and \$339,570 in 1933. Assessment premiums totaled \$1,960,059 in 1933 and \$1,795,572 in 1932. The 1933 Nebraska premiums and losses for the leading companies follow:

Stock		
	Premiums	Losses
Travelers	\$ 320,458	\$ 187,604
U. S. F. & G.	282,670	209,625
London Guar.	235,701	134,577
Employers Liab.	228,358	158,765
Hartford Accel.	221,055	65,698
Globe Indem.	150,470	61,052
New Amsterdam.	138,810	73,790
Fid. & Cas.	132,624	56,516
Maryland Cas.	132,439	102,629
Standard Accel.	107,160	104,662
Continental Cas.	104,042	39,777
Fid. & Deposit.	103,140	65,011
Mutuals		
State Farm.	\$ 255,781	\$ 122,095
Employers Mut.	157,260	62,208
Assessment		
Travelers Health.	\$ 622,598	\$ 557,465
Physicians Health.	380,664	339,645
Physicians Casualty	302,163	203,748
Mut. Ben. H. & A.	255,640	182,102

No Additional Automobile Financial Laws Passed

NEW YORK, April 25.—No additional financial responsibility measures have been enacted in any of the states thus far in 1934, nor apparently has there been any particular urge for such legislation anywhere. The same holds with respect to "guest laws." The effort to secure the enactment of a compulsory automobile liability law in Iowa failed of sufficient support, while two bills in the Kentucky legislature, modeled somewhat after the Pennsylvania automobile liability law, met a like fate. The New Jersey legislature has under review, with fair prospect of adoption, a measure permitting motorists unfortunate enough to have carried their automobile indemnity with a casualty company forced to receivership, to retain their drivers' licenses until expiration date, after which insurance must be obtained with a solvent carrier.

**A Good Company,
Progressing
Conservatively.**



**BANKERS INDEMNITY
INSURANCE COMPANY**

Newark, New Jersey

One of the American Group

ACCIDENT AND HEALTH FIELD

Discuss Association Policies

Resolutions and Executive Committees of A. & H. Managers' Organization Meet in Cleveland April 28-29

Members of the executive committee of the National Association of Accident & Health Managers and representatives of clubs which are members of that association have been requested to attend a meeting called by Homer Bisch of Toledo, chairman of the resolutions committee of the national association, at the Hotel Cleveland, Cleveland, O., April 28-29.

At the convention in Pittsburgh in 1933, and during the months which have intervened, various suggestions and proposals for the good of the national association have been presented by clubs and members throughout the country. It is the intention to discuss these plans and ideas at this meeting in Cleveland, in preparation for presenting them for final action at the convention in June. Every interested member is invited to attend the Cleveland meeting and make known his opinions relative to the subjects under discussion. Prior to the convention in June, every member and club will be advised relative to the work that is done at this time.

The date for the annual meeting of the national association in Cleveland, originally scheduled for June 14-15, has been changed to June 7-9 because of the fact that the National Medical Association will be holding its convention in Cleveland the week of June 14 and it was impossible to secure satisfactory hotel accommodation that week. The managers' association headquarters will be at the Hotel Statler.

Cleveland Plans for Convention

CLEVELAND, April 25.—At last week's meeting of the Cleveland Accident & Health Insurance Club, C. L. Smith, director Cleveland Safety Council and district manager of the National Safety Council, spoke on the activities of his organizations and their relation to the insurance business.

Plans for entertaining the convention of the National Association of Accident & Health Managers were discussed at that meeting and still further at a meeting of the executive committee. Another meeting will be held this week when a tentative program will be arranged and committees appointed.

The Cleveland club is adding to its membership some of the best known agency heads in Cleveland, 15 new members having been taken in at the last meeting.

Record of Watt Agency

The first two weeks of this month the W. E. Watt agency in Cleveland produced 130 accident and health applications and at that rate will easily make the quota set for the month with

Record Mark Made in Accident Applications

F. M. Stager of Sterling, Ill., an agent of the Illinois Mutual Casualty of Peoria, made a record mark on April 4, when he wrote 105 accident applications between 5:30 a. m. and 9 p. m. Of these applications only three were rejected and these on account of over age. The drive was put on in honor of the centenary of Sterling. Mr. Stager took the applications to the head office two days later and presented them to President O. L. McCord.

200 "apps." Most of the business came from life insurance salesmen and was on policies with premiums running from \$20 to \$40. About 25 percent of the business was written with the latter premium. This agency represents the Continental Casualty accident and health department.

Industrial Insurers Meeting

The mid-year meeting of the executive committee of the Industrial Insurers Conference will be held at Atlanta, May 10-11.

Insurer Wins Hernia Case

The Louisiana supreme court held for the insurer in a hernia case, Parker vs. Provident Life & Accident.

The hernia developed shortly after the assured, a master mechanic, pulled on the lever of a jackscrew.

The supreme court held that Parker voluntarily did in a natural way that which he intended to do, that nothing unforeseen or unexpected happened except the results—the injury. He cannot

recover because the injury resulted from the doing of the act just as it was intended.

Glen H. Kuhl, formerly with the Aetna Life in Minneapolis, who led all the agents of the life department of that company in production of accident business last year, has opened an independent brokerage office in the Northwestern Bank building, Minneapolis, specializing in life, accident and health and annuities.

Post Approved Companies

INDIANAPOLIS, April 25.—Supporting regulations and laws requiring all truck and bus operators to carry adequate insurance coverage, the Indiana public service commission has posted in its offices a list of insurance companies which have complied with the commission's recent order requiring statements of assets and reserves. Copies of the order asking financial statements of companies writing cargo, personal liability and property damage business were sent to 97 companies, 53 responding. After reviewing the financial statements, the commission posted the names of 24 liability and property damage companies and 26 cargo insurance companies.

BURGLARY

Drop Bank Risks in Southwest

Excessive Loans and Inability to Curb Bandits Spur Casualty Companies to Action

DALLAS, April 25.—The big casualty companies are dropping bank burglary and robbery risks in Texas, Oklahoma, Louisiana, Kansas and Missouri, except where the banking houses are located in larger and well police protected cities. The desperadoes who have been robbing banks in the small cities and rural towns with impunity for the past 18 months have made the losses to the casualty companies so heavy that some of them have already cancelled policies and others are ready to do so. There have been some 40 bank robberies in Texas the past 18 months. The bandits have been looting banks in Oklahoma and Kansas one after the other for several months.

Casualty company representatives said

Has this happened to you?

When plate glass which you insured breaks and one of your best clients calls, frantically demanding that you do something about having his glass replaced "right away" then

Dial
MOHawk 1100

Tell us your troubles and cease to worry.
We will have that glass replaced so promptly that your client will consider you about the best insurance man in the world.

We specialize in prompt plate glass replacement service which is so essential to insurance men in keeping their plate glass business on the books.

Remember American Glass for plate glass.

AMERICAN GLASS CO.

1030 North Branch Street
CHICAGO

they have asked the banks in these states to cooperate by carrying less actual cash on hand but the banks have failed to do so and there appears nothing for them to do but get off the risks. Some of them say a higher rate for the coverage would be useless, since the risk right now is so great no rate would justify carrying the contracts.

The Texas Bankers Association has called on the banks of the state to carry less cash on hand so that in case of robbery the losses will not be so heavy. The association has also stated its old offer of \$5,000 for dead bank bandits stands.

Fort Peck Dam Rates

The estimated cost of constructing four tunnels at the Fort Peck dam site, Glasgow, Mont., which the War Department will direct, is \$10,000,000, 578 calendar days being allowed for its completion. Performance bond of 25 percent of the bid figure will be required. The Towner Rating Bureau has authorized a rate of \$12 per thousand for the term, premium to be paid in advance. In arriving at the rate the bureau figured a maximum production cost of 12½ percent, including producer's commission of 7½ percent. Sub-contracts will take regular manual rates according to work classification.

Five Million Suit Against Pennsylvania Surety Men

HIGH FINANCING REVEALED

Insurance Department Sues Directors and Officers of Republic Casualty and Successor Corporation

PITTSBURGH, April 25. — The Pennsylvania department has instituted suit in Allegheny county in an attempt to recover \$5,000,000 from the officers and directors of the defunct Pennsylvania Surety, charging they issued false statements, made reckless investments and were negligent in the operation of the company which was organized from the wreckage of the Republic Casualty, principally to underwrite bonds and mortgages sold by the First National Company of Baltimore, extensive dealers in speculative Florida real estate.

Among the defendants are H. C. Ward, who was president of the Pennsylvania Surety and a number of prominent Pittsburgh business men, H. T. Aufderheide, C. A. Bardolph, W. J. Curley, J. M. Freeman, Edwin Hodge, Jr., E. M. Love, F. E. Markell, H. A.

May, H. W. Nethken, B. D. Phillips, D. T. Riffe, W. H. Robinson, W. C. Rice, A. D. Reynolds, J. W. Ward.

The Republic Casualty, after several stock selling plans had failed to bolster it, made a deal with the First National Co. to underwrite its sale to the public of several million dollars in trust bonds in the fall of 1927.

The suit charges, at the time, the Republic's liabilities exceeded assets by \$1,164,625. The Republic's directors and First National officials then agreed upon a deal by which a change of name would wipe out the liability and the new company would have \$2,000,000 in capital and surplus.

This financing, it is alleged, was accomplished through loans from Pittsburgh banks, five of which are now closed, and transfer of bonds by the First National Co., later found to be worthless.

The Pennsylvania Surety was organized and the Republic was liquidated, and in six years has paid only 20 percent.

Backs Were Scratched

The First National Co. bought 25,000 shares in the new company at \$50 a share, and the Pennsylvania Surety assumed the old Republic's guarantees of First National bonds.

Before the Republic went into receivership, it paid \$550,000 to its offspring company "as consideration for said assumption of the obligations" by the Pennsylvania Surety, the state alleges, adding that the defendants knew the sum was not collectible.

The new corporation in 1928 claimed to have cash amounting to \$1,500,000. The suit says:

"Approximately \$725,000 of the cash had not been actually received and made available to the company. Another \$500,000 that went into the alleged company came from the First National Co., which 'bought' 10,000 shares of the new corporation's stock with \$500,000 of its own preferred stock which, the state charges, had no 'realized market value.'

Department Objected

The department objected to this at the time, and finally forced an agreement that certain of the directors would buy this stock for cash upon demand, after the expiration of a year.

The record continues: "The defendants permitted the corporation to issue 10,000 shares of its capital stock to the Republic Casualty, without receiving any consideration therefor, \$100,000 being deducted from the surplus of the Pennsylvania Surety and added to capital liabilities.

"However, the corporation failed to show as a capital liability reserves in excess of \$600,000 required to be set up by reason of the assumption of the obligations of the Republic Casualty."

Securities Were Purchased

The Pennsylvania Surety Co. made several purchases of securities, some of them with the understanding they would be repurchased later.

It is alleged the Pennsylvania Surety took over the Triangle Insurance Co., a solvent Pittsburgh concern, by borrowing from a Pittsburgh bank, now closed, enough to finance the project and pledging the stock bought as collateral. Through this transaction, Pennsylvania Surety made a transfer of stock with Triangle and got rid of the \$600,000 in securities which had been given by the First National in the original plan of capitalization. When this discovery was made, the Triangle, which was left holding the worthless collateral, became insolvent.

According to testimony before the senate committee investigating the insurance department recently, the company at one time maneuvered to obtain surrender of \$300,000 in government bonds it had posted with the state. It gave the state, in place of this, the worthless bonds of the First National Co.

Ward Crane, formerly chief clerk of the Missouri insurance department, is now operating the Ward Crane Insurance Agency at Ozark, Mo.

U. S. Supreme Court Holds Assets Go to the Receiver

CREDITORS SOUGHT PRIORITY

Finds That Montana Claimants Against Federal Surety Are Not Entitled to Preference

An interesting case, involving the right of creditors in one state, by court proceeding, to get possession of securities and money of a defunct company of another state as against the right of the receiver of the insurance company to obtain all of the assets, has been decided by the United States Supreme Court in favor of the receiver. The case was Commissioner Clark of Iowa vs. Williard and Wheaton. The company, whose assets were in dispute, was the Federal Surety of Davenport. Commissioner Clark was appointed receiver for that company in 1931. The Federal Surety had been operating in Montana.

Before a receiver was appointed for the Federal Surety, Williard and Wheaton obtained judgment in a Montana court against the Federal Surety under a bond. The Montana supreme court held that the dissolution of the Federal Surety did not abate the suit of Williard and Wheaton and those two judgment creditors filed a petition for leave to issue an execution against securities and moneys of the Federal Surety which had been discovered in Montana.

Cross Petition Is Filed

Commissioner Clark filed a cross petition asserting his title as successor to the Federal Surety, opposing the demands of the judgment creditors and setting up his rights and privileges. The Montana supreme court held that the judgment of Williard and Wheaton had been lawfully recovered although the Federal Surety was dissolved and that Commissioner Clark, the foreign liquidator, was not the successor to the corporate personality of the Federal Surety with a title derived from the statutes of Iowa, but was a chancery receiver with a title (if any) created by the Iowa decree; that, as against such a receiver, creditors in Montana were at liberty to levy attachments and executions, irrespective of their right to enforce such a levy against a statutory successor.

Not a Mere Receiver

The United States Supreme Court held that the statutes of Iowa have made the official liquidator the successor to the corporation, and not a mere receiver. His title is the consequence of a succession established for the corporation by the law of its creation. The Montana supreme court denied full faith and credit to the statutes and judicial proceedings of Iowa in holding, as it did, that Commissioner Clark was a receiver deriving title through a judicial proceeding and not through the charter of its being and the succession there prescribed. The Montana supreme court will determine whether there is any local policy whereby an insolvent foreign corporation in the hands of a liquidator with title must submit to the sacrifice of its assets or to their unequal distribution by writs of execution. The decree should be vacated insofar as it adjudges the validity and priority of the execution of Williard and Wheaton, and the cause remanded to the Montana supreme court.

Polk Williams, formerly in charge of the McCann Adjusting Company's St. Louis office, has become vice president of Gannon & Co., adjusters.

Position Wanted

Combination Payroll Auditor and Inspector, age 29, well versed in casualty insurance, five years experience servicing all casualty lines except boilers. Willing to prove ability on any temporary basis. No objection to territory. Address Y-54, The National Underwriter.

THE OHIO CASUALTY INSURANCE COMPANY

HAMILTON, OHIO

Financial Statement, January 1, 1934

★ ASSETS

Cash in Bank and Office.....	\$548,103.39
*U. S. Government Bonds Due 1934	400,062.50
*U. S. Government Bonds Long Term	869,380.18
*Municipal and Listed Bonds.....	525,087.69
**Preferred and Common Stocks.....	325,220.71
Mortgage Loans	145,590.55
Real Estate—Book Value.....	183,795.33
Premiums in course of collection (under 90 days)...	400,314.07
Interest Accrued	12,440.75
Reinsurance	232.45
Other Ledger Assets.....	19,067.92
	\$3,429,295.54

LIABILITIES

Special Reserve for Liability Losses.....	\$ 741,944.07
Reserve for Losses and Claims other than Liability	197,353.00
Estimated Expenses of Investigation and Adjustment of Unpaid Claims.....	15,000.00
Reserve for Unearned Premiums	1,443,650.13
Reserve for Taxes	55,577.58
Reserve for Unpaid Bills	5,000.00
Reinsurance	28,525.47
Capital Stock	\$600,000.00
Surplus	342,245.29
Surplus to Policyholders.....	942,245.29
	\$3,429,295.54

Cash, and U. S. Government Bonds.....	\$1,817,546.07
Percentage to Total Assets—58.0	
Municipal and Listed Bonds.....	525,087.69
Percentage to Total Assets—15.3	
Preferred and Common Stocks.....	325,220.71
Percentage to Total Assets—9.5	
Mortgage Loans	145,590.55
Percentage to Total Assets—4.2	
Cash in Closed Banks.....	\$910.32
*Amortized Values for Bonds.	
**Market Dec. 31, 1933, for Stocks.	

THE OHIO CASUALTY INSURANCE COMPANY

HOME OFFICE

HAMILTON, OHIO

Full Coverage Automobile

Automobile Accident
Burglary

Liability
Fidelity and Surety Bonds

Plate Glass

Premiums and Losses in 1933 in WISCONSIN on All Casualty Lines

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses
Aetna Cas.	255,013	103,664	76,424	33,728	3,526	127	882	.....	67,725	35,550	9,732	4,430	37,482	5,846	51,420	18,450
Aetna Life	385,036	241,510	65,076	40,608	42,938	5,407	65,373	47,828	.....	.....	.....	.....	.....	.....	1,308	312
American Auto.	132,183	64,945	130,875	64,633	.....	.....	.....	.....	26,279	.....	343	.....	3,911	.....	25,599	7,401
American Bonding ..	30,533	.....	.....	.....	.....	.....	.....	.....	2,287	—	1,228	298	3,373	479	25,599	7,401
American Employ.	130,910	60,665	60,768	26,200	5,095	1,382	24,392	22,870	.....	.....	.....	.....	.....	.....	32,869	9,364
American Motorists..	152,321	72,115	77,171	44,116	11,190	6,690	30,422	11,772	.....	.....	175	30	.....	.....	3,960	1,755
Amer. Mut. Liab.	91,122	80,782	7,680	8,451	4,553	60	74,849	70,516	11	69	509	.....	22,000	462	2,594	394
Amer. Surety	164,046	80,392	7,299	5,177	1,681	300	7,664	7,506	122,290	66,972	.....	.....	955	.....	16,123	4,642
Assoc. Indemnity	65,495	37,103	45,134	31,307	912	.....	.....	.....	84	.....	2,465	461	.....	.....	50,655	11,752
Autoist Mutual	139,505	72,828	77,135	57,774	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5,271	1,279
Badger State Cas.	16,255	4,523	9,537	2,812	.....	.....	.....	.....	42	.....	1,537	1,443	4,318	285	31,753	10,676
Bankers Indem., N. J.	150,389	87,413	80,171	50,975	4,890	1,452	25,265	22,299	.....	.....	152	36	.....	.....	25,858	4,996
Bldrs. & Mfrs. M. Cas.	99,466	20,328	49,026	6,986	840	.....	20,172	8,010	.....	.....	1,623	956	626	621	35,170	14,313
Car & General.	138,266	99,987	92,959	81,268	866	3	7,012	2,326	.....	.....	.....	.....	.....	.....	273	25
Cas. Recip. Exch.	626	25	353	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,761	1,583
Central Surety	32,721	31,511	11,728	16,369	1,109	.....	522	2,011	10,719	9,097	3,569	1,899	595	124	11,451	1,491
Century Indem.	93,432	21,214	31,111	7,327	16,480	1,039	19,670	4,923	3,266	4,642	4,422	448	5,580	591	.....	.....
Chicago Ice Prod.	487	.....	.....	.....	.....	.....	487	473	.....	.....	.....	.....	.....	.....	.....	.....
Columbia Cas.	64,853	25,346	6,988	4,830	4,145	905	10,730	13,634	29,601	1,247	1,808	1,455	3,613	222	3,150	2,591
Commercial Cas.	58,606	30,006	5,954	14,806	4,004	182	18,772	5,906	8,237	1,625	2,669	928	4,729	54	2,865	1,780
Conn. Indem.	1,966	2,404	1,436	2,354	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	530	50
Continental Cas.	360,400	140,808	103,713	36,948	18,792	5,945	35,204	23,722	23,861	2,026	4,347	1,695	16,248	3,799	41,698	9,167
Eagle Indem.	51,808	17,055	20,861	4,735	5,226	240	8,652	8,988	4,307	.....	1,705	386	3,856	208	8,153	2,243
Employ. Liab.	299,537	139,600	82,971	48,141	20,007	11,861	81,152	57,783	3,636	2,990	4,335	2,465	6,974	1,094	36,849	8,445
Employ. Mut. Indem.	737,703	194,808	351,895	101,956	136,692	13,511	.....	.....	.....	.....	1,130	276	.....	.....	179,596	58,579
Employ. Mut. Liab.	2,086,868	1,359,104	.....	.....	.....	.....	2,086,868	1,359,104	.....	.....	.....	.....	.....	.....	870	.....
Employ. Reins.	12,514	93	735	.....	6,671	.....	4,017	93	220	.....	.....	.....	.....	.....	88,066	29,604
Farm. M. Auto., Wis.	306,486	136,979	191,430	102,015	.....	.....	.....	.....	95,339	36,349	11,584	3,928	43,466	5,545	44,595	16,118
Fidelity & Cas.	644,475	393,010	130,011	108,670	48,400	12,304	105,747	103,139	264,039	110,300	1,829	843	30,836	—1,609	.....	.....
Fidelity & Deposit.	296,704	109,534	.....	.....	.....	.....	.....	.....	9,066	6,394	1,641	407	5,582	210	14,971	1,866
Fireman's Fund	111,317	21,691	38,476	3,587	17,881	445	22,329	6,619	.....	.....	1,913	438	5,117	2,048	50,286	16,578
General Accl.	326,590	187,794	136,910	86,176	23,990	5,531	95,550	71,740	.....	.....	.....	.....	.....	.....	133,481	50,574
General Cas., Wis.	477,297	293,908	292,644	227,760	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
General Reins.	199	.....	.....	.....	.....	.....	199	.....	.....	.....	.....	.....	.....	.....	.....	.....
Glens Falls Indem.	88,963	66,622	27,439	13,493	7,431	1,434	9,489	6,635	8,654	28,715	2,305	798	6,610	448	11,213	3,262
Globe Indem.	165,981	74,770	33,987	19,941	9,448	1,796	47,586	32,647	37,764	11,711	2,750	1,131	9,681	841	13,745	3,807
Great Amer. Indem.	42,948	46,641	7,189	10,601	8,226	1,855	9,085	9,533	5,414	18,576	3,957	3,122	4,565	284	2,997	1,827
Hardware Mut. Cas.	948,576	459,649	486,402	243,355	20,208	7,994	186,489	125,130	.....	.....	17,346	6,945	10,548	1,738	222,604	71,333
Hartford Accl.	433,901	182,804	116,409	54,485	36,678	9,510	102,821	73,177	74,520	17,129	8,303	4,092	34,388	7,893	47,580	12,756
Home Indem.	12,717	6,233	8,574	2,972	126	27	605	2,124	40	.....	.....	.....	.....	24	3,694	1,086
Indem. No. Amer.	17,443	44,491	5,498	10,471	2,914	828	3,559	28,758	1,464	—154	582	553	701	—9	2,079	2,392
Liberty Mut., Mass.	106,851	103,390	8,562	2,607	3,632	32	92,092	100,608	.....	.....	67	.....	.....	.....	2,480	100
London & Lanc.	76,567	13,202	25,000	3,233	5,044	376	6,801	5,183	9,222	.....	9,168	1,140	4,412	68	14,664	3,017
London Guar.	207,457	110,765	62,484	54,687	14,134	1,931	65,234	40,735	.....	215	8,535	1,512	9,373	666	25,106	5,362
Lbrmen's M. Cas., Ill.	191,823	133,865	84,764	54,049	9,768	1,948	52,834	59,336	.....	800	1,976	289	922	77	30,368	16,950
Marshfield M. Pl. Gl.	1,179	452	.....	.....	.....	.....	.....	.....	214	.....	1,179	452	.....	.....	.....	.....
Maryland Cas.	338,127	215,962	54,613	53,699	25,178	3,985	108,531	74,604	80,664	37,949	6,305	2,334	32,193	3,217	21,722	11,569
Mass. Bonding	206,552	302,189	33,943	81,668	25,964	29,288	59,628	82,849	26,851	81,292	14,892	8,780	11,787	1,193	12,914	7,885
Master Plumbers, Wis.	4,591	9,695	.....	.....	.....	.....	4,591	9,695	.....	.....	.....	.....	.....	.....	.....	.....
Medical Prot.	46,744	35,377	.....	.....	46,744	35,377	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Merch. Indemnity	3,326	3,675	2,791	3,512	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	321	163
Metropolitan Cas.	73,343	27,596	22,679	2,751	5,590	942	12,479	12,330	8,852	3,885	7,842	3,375	3,557	1,689	6,458	1,397
Milwaukee Auto.	429,826	184,359	266,947	140,129	2,374	724	.....	.....	.....	.....	.....	.....	.....	.....	123,442	22,725
Minn. Farm. M. Cas.	18,435	9,181	9,909	6,772	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4,803	1,562
Mu. Au., Herman, Wis.	29,931	12,730	15,948	9,499	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	11,466	2,825
National Cas.	163,193	79,878	29,211	16,392	6,433	125	23,427	6,575	6,689	1,000	1,544	503	4,911	312	12,386	3,148
National Surety	149,111	57,279	.....	.....	.....	.....	.....	.....	95,911	30,204	374	518	42,591	26,557	.....	.....
New Amsterdam	109,962	73,292	28,012	34,638	14,611	4,027	31,304	28,611	19,830	424	1,889	538	3,738	514	10,283	4,491

(CONTINUED ON NEXT PAGE)

birds of a feather

The character and standing of a company is measured by the calibre of its agents . . . Good agents have good companies.

This may be the reason why so many of the outstanding casualty agents of the country represent the "London Guarantee".

Established in 1869, the "London Guarantee" is one of the oldest and strongest casualty companies in the world.

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.
J. M. HAINES, U. S. Manager
55 FIFTH AVE., NEW YORK

	Total		Auto. Liability		Other Liability		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Exp. D. & Coll.	
	Prem's. \$	Losses \$	Prem's. \$	Losses \$	Prem's. \$	Losses \$	Prem's. \$	Losses \$	Prem's. \$	Losses \$	Prem's. \$	Losses \$	Prem's. \$	Losses \$	Prem's. \$	Losses \$
New England Cas....	1,805	1,485									1,805	1,485				
New York Cas....	40,238	28,981	22,473	17,898	748	840			5,323	3,891	2,159	959	1,613	500	7,922	4,893
Northwest. Natl. Cas.	264,968	108,738	207,852	90,987											74,207	17,395
Norwich Un. Indem.	16,126	13,097	5,403	7,790	3,400	2,000	1,130	2,139			852	504	1,489	147	2,030	379
Ocean Acci.	100,926	62,906	22,012	18,243	13,047	4,157	31,490	20,923	388	12,259	1,822	670	7,566	2,449	9,862	1,666
Ohio Cas.	242,999	83,417	150,165	50,498	1,396	225			5,814	11,893			5	23	66,508	16,262
Phoenix Indem.	34,031	28,576	4,217	16,341	5,476	1,169	7,447	4,744			572	172	2,356	258	1,774	
Preferred Acci.	44,496	36,109	11,780	16,584	89								539		4,141	2,476
Royal Indem.	71,333	43,309	12,187	4,265	10,436	3,791	14,202	22,956	14,698	2,329	2,092	710	4,804	1,173	5,105	1,851
St. Paul Merc. Indem.	119,616	26,130	25,776	11,257	15,980	950	22,883	10,428	40,481	—25	1,366	455	4,361	540	8,769	2,495
Seaboard Surety ..	12,224	3,858							12,224	3,858						
Security Mut. Cas. .	18,605	20,027	302		2,441	188	15,758	19,831							104	8
Shelby Mut. Pl. Gl.	8,859	5,605	850	2,520	305						7,302	2,771			402	214
Standard Acci.	270,273	113,565	61,632	25,081	23,246	5,138	73,604	56,410	41,157	631	5,618	1,891	15,315	8,238	21,275	5,432
Standard Sur. & Cas.	37,805	9,781	8,108	3,480	1,519	1,115	17,242	3,896	2,578	38	1,688	281	1,048	41	5,502	950
Sun Indem.	14,962	24,296	10,226	13,640	179	32			114	9,702	141		637	2	3,553	920
Travelers	597,211	413,522	122,587	100,581	44,469	22,419	214,489	160,135								
Travelers Indem.	282,203	97,549	93,088	56,447	1,982	518					12,382	4,440	44,320	10,580	78,490	24,761
U. S. F. & G.	477,135	346,228	91,024	62,030	42,169	24,557	42,391	53,307	208,705	178,855	7,326	2,278	38,843	2,464	35,644	19,211
U. S. Guarantee....	27,321	118,359	4,035	940	490	6			20,470	117,196			1,189		1,137	217
Utica Mutual	403	1,192	220		2		18	1,192							163	
Western Cas. & Sur.	186,599	112,085	116,739	87,819	3,475	570	14,483	4,953	1,525		1,652	293	1,292	60	47,389	18,378
Wis. Brother. Thresh.	56,360	39,972					56,360	39,972								
Wis. Mut. Plate Gl.	22,314	10,299									22,314	10,299				
Workmen's Mutual....	38,178	16,821	23,520	13,795											10,619	1,941
Yorkshire Indem.	106,792	35,979	78,372	21,851	1,316						1,382	749	196	7	25,525	13,372

*Total of all casualty business, including classes shown below. Company totals above include classes shown in groups below:

ACCIDENT AND HEALTH		Premis.	Losses	FIRE INSURANCE		Premis.	Losses	MARINE INSURANCE		Premis.	Losses
Aetna Cas.				Fidelity & Cas.	138,181	106,450	Mass. Bonding	21,073	9,234	Cont. Cas.	231
Aetna Life	\$ 2,862			Fireman's Fund Indem.	1,571	2,163	Mass. Protective	2,021	240	Employers Liab.	37,478
Aetna Employ.	266,239	136,629		First National Cas.	13,505	1,500	Metropolitan Cas.	5,523	1,215	Fidelity & Cas.	11,354
Amer. Motorists	5,785	1,943		General Accl.	12,172	5,283	Metropolitan Life	18,063	114,100	London Guar.	1,415
Amer. Motorists	494	143		Globe Falls Indem.	15,822	11,837	National Cas.	17,893	4,554	Maryland Cas.	29,057
Assoc. Indem.	1,706	550		Globe Indem.	10,457	2,896	New Amsterdam	295	49	Mutual Boiler	289
Bankers Indem., N. J.	2,413	283		Great Amer. Indem.	1,515	842	No. Amer. Accl.	60,849	28,529	Ocean Accl.	8,074
Ben. Ry. Employ.	447,308	79,010		Great Northern Life	71,486	32,952	No. Amer. L. & C.	9,867	6,004	Royal Indem.	287
Bus. Men's Assur.	57,440	40,889		Great Western	21,046	10,566	Norwich Union	1,732	138	Standard Accl.	1,728
Central Surety	718	453		Haw. Mut. Cas.	4,720	3,164	Ohio Accident	6,665	1,847	Travelers Indem.	29,460
Central Indem.	1,432	488		Haw. Mut. Accl.	13,302	5,717	Old Lin. Wis.	6,045	8,920		
Columbia Cas.	2,252	462		Illinois Mut. Cas.	15,276	5,115	Pacific Mutual	12,281	3,794	Total, 1933	\$ 64,406
Commercial Cas.	11,376	4,725		Indem. No. Amer.	132	152	Personal Indem., Ltd.,			Total, 1932	128,875
Continental Assur.	55			Inter-Ocean Cas.	9,525	3,475	Mut., Wis.	2,640			19,323
Continental Cas.	84,165	40,150		Int. St. Bus. Men's L.	43,557	28,237	Phoenix Indem.	12,189	5,600	SPRINKLER LEAKAGE AND WATER DAMAGE	
Eagle Indem.	1,602	255		John Hancock Mutual L.	23		Preferred Accl.	27,947	17,049		
Employ. Liab.	15,305	5,201		London & Lanc.	2,256	180	Progressive Mut Assur.	7,339	3,006	Premis.	Losses
Employ. Mut. Indem.	1,263	1,000		London Guar.	7,454	2,628	Provid. L. & A.	39,537	39,537	\$ 6,824	\$ 2,57
Employ. Mut. Indem.	22,227	11,596		Loyal Prot.	9,820	4,999	Prudential	11,764	5,413	Indem. No. Amer.	39
Equit. L., N. Y.	14,951	5,985		Liberners' M. Cas., Ill.	1,527	416	Royal Indem.	6,322	6,234	Maryland Cas.	833
Federal Cas.	14,128	4,512		Maryland Cas.	21,741	10,408			Metropolitan Cas.	163	

SQUARE dealings with agents, brokers and policyholders have built for these companies an enviable reputation. Small enough to take a personal interest in agents, yet large and strong enough to give thorough protection, these companies offer sincere agents a real opportunity. If interested write directly to the Home Office, asking about our special feature policies.

E. W. Cook
Genl. Mgr.

Aetna Cas.	600
Continental Life.....	\$ 5,400
Bus. Men's Assur.....	3,430
Continental Casur.....	2,482
Continental Cas.....	27,942
Equit. Life, N. Y.....	10,319
Great Northern Life.....	961
Great Western.....	1,117
Loyal Prot.....	16,371
Mass. Prot.....	284,675
Metropolitan Life.....	1,438
Pacific Mutual.....	62,744
Paul Revere Life.....	8,360
Travelers.....	1,748
Wis. Natl. Life.....	145
Total, 1933.....	\$ 430,842
Total, 1932.....	318,985

Amer. Credit Indem.....	\$ 27,174	\$ 11,425
London Guar.	7,627	1,954
National Sur.	10,235
Ocean Acci.	—786

Amer. Employ.	\$	1,094	\$	106
Columbia Cas.		2,106		
Continental Cas.		4,490		375
Eagle Indem.		446		
Employers Liab.		10,830		695
Fidelity & Cas.		20,737		244
General Acci.		622		
Globe Indem.		563		
Hartford S. B.		99,020		14,683
Home Cas.		5,325		1,075
Lumber, Mut. Cas.		450		
Mutual Boiler		356		
Travelers Indem.		22,481		802

Aetna Cas.	\$	998
Amer. Employ.		1,289
Columbia Cas.		460

Over the protest of the Maryland Casualty that local agents are not authorized to act as a bank for the funds of policyholders or as a collection agency for money due a policyholder from other insurance companies, the Nebraska supreme court orders it to pay as unearned premiums \$324.59 to P. K. McAllister, truck operator, of York.

Two other companies had canceled policies on McAllister, and when he bought a policy in the Maryland from the York Insurance Agency he had credits with the latter for enough unearned premiums, together with \$100 in cash, to enable him to get a receipt in full for the Maryland premium. The latter company canceled for nonpayment, and when sued for unearned premiums defended on the ground that an agent cannot switch credits around that way. The supreme court, however, says:

"Where an insurance company admits the authority of an agency to issue policies and receive premiums in payment thereof, and where an insured, having credit for unearned premiums with such agency from canceled policies of insurance in other insurance companies, makes a further cash payment to the agency to be applied on the payment of the premium with the insurance company sufficient, together with such credits, to pay the premium in full, such payment and credits amount to a payment of the premium due on the policy, and the insurance company is bound to return the unearned portion of the premium to the insured on cancellation of its policy with the insured."

NEWS OF THE COMPANIES

Statement Showing Upturn

President C. W. Fellows of the Associated Companies at San Francisco Has Optimistic View

SAN FRANCISCO, April 25.—The annual report and financial statement of Associated Insurance Fund, Inc., holding corporation of Associated Indemnity and Associated Fire & Marine, shows a net loss of \$146,737 in 1933—or 33 cents a share, according to the statement. However, in his message to stockholders President C. W. Fellows says:

"This loss has been more than regained as of Feb. 28, 1934. Except for the abnormal loss sustained through the failure of the International Reinsurance, the net loss would have been \$59,550 or 13 cents a share, compared with a loss of \$326,750 or 73 cents a share in 1932."

His message is bright with optimism for the future, based upon experienced indications toward greater stability of business and improvement in values. He points out that the Associated companies have experienced an increase in premium volume every month since last October. The premium decrease reported as of Dec. 31, 1933, he said, was all chargeable to the nine months preceding October. The results so far in 1934, he pointed out, justify an optimistic outlook. Assets of Associated Insurance Fund are reported at \$4,480,662.

Editor Des Moines Speaker

At the luncheon meeting of the Casualty & Surety Club of Des Moines April 23, Charles Darlington, commercial editor Des Moines "Tribune," gave an illustrated talk on "My Experiences in France."



AUTOMOBILE (ALL COVERS)
Fire and Tornado
Public Liability Plate Glass

A STRONG, progressive stock company, organized in 1849 and doing business in Indiana, Illinois and Ohio. . . . Wide-awake agents, seeking a good connection are invited to address the executive office at Indianapolis.

Branch Offices

Chicago
A1504 Insurance Exchange
Columbus, Ohio
2910 A. I. U. Citadel
Decatur, Ill.
253 S. Park

UNION
Insurance Company
of INDIANA

Executive Office—Indianapolis, Ind.

New U. S. F. & G. Setup Given

Strong Reserves Are Created from R. F. C. Money—Bills Payable Item Is Eliminated

BALTIMORE, April 25.—President E. Asbury Davis of the United States Fidelity & Guaranty has issued a statement, showing the effect on the company's setup of the \$4,000,000 which was received when the R. F. C. purchased its preferred stock.

The item "bills payable" has been entirely wiped out and the company has set up a voluntary reserve of \$2,500,000 to take care of any contingencies. "This voluntary reserve," according to the letter, "is more than sufficient to enable the company to carry all of its bonds, as well as stocks, on an actual market basis and still leave the same surplus."

A depreciation reserve of \$210,260 has been set up to cover the company's office building. All mortgage bonds have been marked down to market prices.

In addition there is a reserve of \$5,588,185 for depreciation of securities, representing the sum required to place all stocks and bonds, not amortized, on the basis of market valuation at the end of March. Three months previously these reserves totaled \$5,403,831.

Common Stock Unchanged

Common stock remains unchanged at \$2,000,000. The new preferred stock is carried at \$800,000 and represents 800,000 shares of \$1 par value, issued at \$5 a share and redeemable at the same price. Surplus is carried at \$5,409,858. The statement of Dec. 31, compiled prior to issuance of the preferred stock, showed a surplus to policyholders of \$7,278,105.

In issuing the 800,000 shares of preferred stock at \$5 a share the company received \$4,000,000 in cash. After carrying \$800,000 to capitalization, the balance of \$3,200,000 was apportioned to voluntary reserve for contingencies, to an increase in the reserve for stock and bond depreciation and to marking down all mortgage bonds to actual market.

For the first 14 weeks of this year premiums written by the U. S. F. & G. aggregated \$8,752,544, against \$7,975,804 in the like period of last year.

New Statement Promulgated

Maryland Casualty's Financial Exhibit Is Released Following R. F. C. Purchase of Stock

Following the action of the Reconstruction Finance Corporation in taking stock in the Maryland Casualty, its new statement issued as of Dec. 30 with the refinancing is presented. Its assets are \$32,474,359, of which \$21,056,692 are bonds and stocks, \$2,551,132 home office building, \$775,412 Philadelphia office building, \$1,342,456 real estate, \$1,409,736 cash, \$3,664,977 premiums in course of collection. Its premium reserve is \$8,108,402, claim reserve \$14,357,115, real estate depreciation reserve \$634,139, contingency reserve \$1,402,344, representing the difference between values carried for non-amortizable bonds and for all stocks at actual Dec. 30 market quotations; preferred stock \$2,000,000, common \$500,000, net surplus \$4,256,027. The capital was thus increased from \$1,000,000 to \$2,500,000. After ample reserves for all demands were set up it has a large surplus. There were no bills payable at the year's end. During last year, President Burns states that the company effected a reduction of \$5,672,000 in losses, loss expense and other expenses. The company therefore is in excellent shape.

The Maryland Casualty announces

the election of H. W. Jackson, mayor of Baltimore and head of the Riall-Jackson Co. agency, and Howard Bruce, president of the Baltimore National Bank, as directors.

The Maryland Trust Company, depository under the refunding plan for bonds secured by mortgages guaranteed by the Maryland Casualty has received approximately \$11,500,000 from the R. F. C. and put in motion the machinery for distribution of that sum among the more than 15,000 bondholders, who deposited their bonds before March 10. Distribution will require about three weeks.

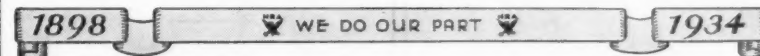
This is one of the largest private refinancing operations ever undertaken. The bonds and debentures going out

with the cash are among the first to become deliverable since the passage of the new federal securities act.

Distribution will be made only to those depositing bondholders who elected option 2 of the refunding plan, which called for \$300 cash and a \$700 debenture for each \$1,000 bond deposited. About four-fifths of the bondholders chose this option. The other option provided for an exchange, par for par, of the old bond for a new collateral trust bond.

About \$25,000,000 of new debentures will accompany the \$11,500,000 cash distribution while approximately \$7,500,000 in new collateral trust bonds will be mailed to those who elected option one.

More than 95 percent of the original



36th Annual Statement, December 30, 1933

MARYLAND CASUALTY COMPANY • BALTIMORE

ASSETS

*Bonds and Stocks.....	\$21,056,692.46
Real Estate (Home Office Buildings).....	2,551,132.79
Real Estate (Philadelphia Office Buildings).....	775,412.18
Real Estate (Other).....	203,758.96
Real Estate Mortgages.....	1,342,456.38
Collateral Loans.....	280,687.15
Cash in Banks and Office.....	1,409,735.69
Interest Accrued.....	83,275.09
Premiums in course of collection (less than 90 days due).....	3,664,977.37
Reinsured losses due from other Companies.....	686,054.74
Cash in suspended Banks recoverable under Depository losses paid.....	420,176.39
Total Admitted Assets.....	\$32,474,359.20

*Valued in accordance with National Convention of Insurance Commissioners Security Valuations.

LIABILITIES

Premium Reserve.....	\$ 8,108,402.16
Reserve for Federal, State and other taxes.....	369,766.82
Reserve for unadjusted claims.....	14,357,114.79
Reserve for Commissions due on premiums in course of collection (less than 90 days due).....	697,563.10
Reserve for Sundry Accounts.....	24,741.04
Reserve for Real Estate Depreciation.....	634,139.37
Funds held under reinsurance treaties.....	124,260.73
**Contingency Reserve.....	1,402,344.05
Capital.....	{ Preferred Stock \$2,000,000.00 Common " 500,000.00
Surplus.....	4,256,027.14
SURPLUS TO POLICYHOLDERS.....	6,756,027.14
	\$32,474,359.20

**This reserve represents difference between values carried in assets for non-amortizable bonds and for all stocks, and actual December 30, 1933, market quotations on such bonds and stocks.

Although the sale of the first Convertible Preferred Stock had not been consummated on December 30, it has since then been completed, and this statement gives effect to that transaction.



New Amsterdam
Casualty Company

A Progressive Surety and Casualty Company

Sales Resistance Gone!

Your biggest job is to overcome sales resistance. You can do this if you can make it easy for your prospect to pay for his insurance.

The Buckeye Union has such a plan. It fits today's conditions as no other plan does. Write or wire today for full information on this plan that means more business for you.

Territory in Ohio

The
**Buckeye Union
Casualty Company**
515 E. Broad St.
Columbus, Ohio

THE NATIONAL of Detroit

Time Tested and Time Proven

LINES WRITTEN

Accident and Health
Group Disability
Plate Glass
Automobile Liability,
Property Damage and
Collision
General Liability
Fidelity
Surety
Burglary, Robbery and
Holdup
Compensation



**NATIONAL
CASUALTY
COMPANY**

W. G. Curtis, President

Home Office

Majestic Building, Detroit, Michigan

outstanding bonds have been deposited for exchange under one or other of the options.

The R. F. C. has agreed to an extension of time within which further deposits may be made without penalty, to May 10.

Zurich Gets Tax Refund

The Zurich has been granted a refund of some \$27,000 on its 1928 income tax. In that year, the company put up its premium reserves on the basis required by New York. The federal government subsequently ruled that the company might, for income tax purposes, put up the highest reserve required in any state. The reserve requirements are higher in Pennsylvania and the Zurich was held to be entitled to the credit.

Probe Pennsylvania Mergers

HARRISBURG, PA., April 25.—A joint legislative committee investigating the Pennsylvania insurance department will take up at its next session the question of whether certain Pennsylvania companies were properly investigated by

the department prior to merger with other companies.

Representative Cohen produced a letter, which he said was written by the late Commissioner Armstrong, asserting that the companies in question, the Independence Indemnity, Commonwealth Casualty and American Mine Owners, had been investigated thoroughly before they were merged with the International Reinsurance, which later failed.

May Declare Stock Dividend

ST. LOUIS, April 25.—The American Credit Indemnity has declared a dividend of 25 cents a share, the first since February, 1932, when 50 cents a share was paid. In addition, it is understood the directors favor a stock dividend of as much as 25 percent. Such a stock dividend would have to be approved by the New York department as the company is chartered in that state.

In July, 1932, it reduced the par value of its stock from \$25 to \$10 a share, transferring \$600,000 from capital to surplus. Now it is felt that the need for such a large surplus is not so acute.

WORKMEN'S COMPENSATION

Rulings on Relief Workers

Kansas Rules Out Compensation—Nebraska Finds Even Men Paid in Groceries May Collect

TOPEKA, April 25.—Relief workers on public projects in Kansas are not under the compensation law of this state even though they may be employed under the proprietary functions of the municipal subdivision of the state, according to a ruling by G. Clay Baker, commissioner of compensation.

The commissioner held that these workers are not public employees within the meaning of the compensation law even if they were employed in improving the electric light or water systems, which are proprietary functions of government, because workers are sent to the projects and the foremen are not permitted to engage each one individually. This seems to be the test of liability under the Kansas law. The work being provided for relief of distress and being given to those assigned to the project instead of the project seeking and selecting the workers, the relief workers cannot collect compensation.

NEW RULING IN IOWA

DES MOINES, April 25.—Benefits of the Iowa compensation law inure to persons given county aid in the form of work relief in county unemployment programs, Industrial Commissioner Funk has ruled.

Mrs. Olive Scarborough claimed compensation as the result of the accidental death of her husband while returning from work in a stone quarry.

OPINION IN ILLINOIS

The Illinois attorney general, in an opinion given to the Illinois emergency relief commission, holds that relief workers under the FERA program are not really employees, but are relief clients in the same sense as inmates of eleemosynary institutions. Therefore, he holds, they do not come within the provisions of the compensation act and are not entitled to benefits.

If, however, the court should hold that relief workers are employees of the state, in Illinois such persons would have to present their claims, not to the Illinois industrial commission, but to the court of claims at Springfield. After a hearing, that court would have the power to recommend payment of the claim to the legislature. This might require several years.

Another possibility, which the attorney general does not mention, is that

the court might hold the worker to be an employee of the local political subdivision, to which he is assigned.

Two cases involving the status of relief workers have already been started up to the Illinois supreme court. One of these cases, involving the claim of a worker, employed on a relief project prior to the CWA program, will be heard in the May term.

Some confusion has been caused in Illinois because the industrial commission has been holding in individual cases that insurance companies cannot exclude relief workers from their compensation coverage. The industrial commission has not issued a ruling to that effect, but is following that practice, when the matter comes up.

NEBRASKA SITUATION

LINCOLN, April 25.—Attorney General Good of Nebraska has advised the state compensation commission that men paid for federal emergency relief administration jobs in groceries or other merchandise are compensable in case of injury as if they were paid cash wages and that state governmental subdivisions which employ such workers are liable for compensation even though the money is supplied by the federal government. The attorney general overrules the commissioner on another point, about which disputes had arisen and which induced county and city officials to hesitate about buying compensation coverage. The attorney general says that in computing the basis of compensation paid there is to be considered how much per week part time workers actually earn, not what they might have earned for the week if employed full time.

Would Revise Ohio Laws

COLUMBUS, April 25.—A recodification of the laws governing the Ohio industrial commission and the state compensation fund is proposed in a report submitted to the governor by a commission investigating the commission's setup. Insufficiency of help has been blamed for delays in adjusting claims. In a statement, S. P. Bush, Columbus manufacturer and chairman of the committee, declared, "I have never seen a commission yet that had the executive ability to administer the business end."

Increased Benefits Act Passes

NEWARK, April 25.—The Muir measure to amend the workmen's compensation act to increase death benefits and to provide double compensation for injuries growing from hazard and occurring after notice of such to em-

ployers, has been passed by the New Jersey assembly. The measure now goes to the senate, where the bill will be bitterly fought by the companies.

Casualty Field Changes

U. S. F. & G. Managers Shift

New Appointments Announced for Company's Buffalo, Minneapolis and Portland, Ore., Branch Offices

Several changes in managers are announced by Phillip F. Lee, agency director of the United States Fidelity & Guaranty.

W. B. Lewis, formerly of the Charles Town, W. Va., branch, becomes manager of the Buffalo service office, succeeding the late W. H. Kennedy. John J. Dondore is appointed manager of the Minneapolis branch. He succeeds G. B. Eckles, who goes to the Portland, Ore., branch, succeeding C. D. Pierce, who retires after 20 years' service with the company.

E. W. Alstrealler becomes special agent at Cleveland and C. W. Young special agent at San Francisco.

Standard Accident's Field Shifts, General Agencies

DETROIT, April 25.—The Standard Accident has transferred two of its field men to new locations. T. V. Turner, who has been field representative of the bonding department in Texas, has been transferred to the New England branch office in Boston as manager of the bonding department. Martin Crawford, who has been doing special work at the home office, has been sent to the Atlanta service office as special agent.

New general agents appointed by the Standard Accident include the Brooks Insurance Agency, Toledo; C. E. Lambeth Agency, Charlotte, N. C.; J. Southgate & Son, Durham, N. C., and Wilkinson-Bullock & Co., Rocky Mount, N. C.

Each Office Maintains Identity

There has been some confusion following the announcement that L. C. McGee, manager of the St. Paul office of the Aetna Life casualty department, had also been appointed manager of the Minneapolis office. The two offices are to maintain their identity and there will be no merger. Both are on the same footing as heretofore but with a common manager.

Miller Goes to Detroit

E. W. Miller, Jr., has been transferred from Pennsylvania territory to the Detroit branch office of the Indemnity of North America as a special agent, replacing W. C. Hintz. Arthur Eliason is manager of the branch. Mr. Hintz resigned to join the H. H. Lawrie agency in the Union Guardian building, Detroit, representing the North America, London and Metropolitan Casualty.

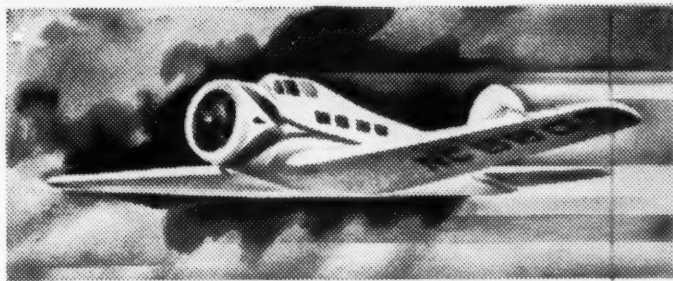
J. K. Livingston in Charge

The Standard Accident has opened a new bonding service office at 323 West Sixth street in Los Angeles. J. K. Livingston, formerly a general agent in Detroit, who at one time was a fire insurance field man, is the manager.

Chicago Branch Moves

The Chicago branch office of the American Casualty will move into new offices in 209 West Jackson boulevard, April 27. F. P. Plotke is manager.

The Hadley-Mahoney Company of Indianapolis has been made general agent of the United States Guarantee. Offices are in the Circle Tower.



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Ar. Chicago 9:45 A. M.

Orion Schedule from Chicago

Lv. Chicago 4:30 P. M. Ar. Mpls. 7:10 P. M.
Ar. St. Paul 7:25 P. M.

Hamilton Plane Leaves Chicago 9:15 A. M.

Hamilton Plane Leaves St. Paul 6:45 P. M.

Hamilton Plane Leaves Minneapolis 7:00 P. M.

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